

Report of the
Fifth
Central Pay Commission

Volume I



सत्यमेव जयते



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Volume I

सत्यमेव जयते

Part I

General Introduction



A journey of a thousand miles must begin with a single step

Lao-tzu

General Introduction

CONCEPT

*The Concept of
a Pay
Commission*

1.1 Pay Commission is a peculiarly Indian institution today. Historically, it is a successor to the Royal Commissions set up during the British period for various purposes, including for pay revision, like the *Atchison Commission* (1886-87) and the *Islington Commission* (1912-15). The practice of setting up of Commissions at intervals with the specific objective of revising pay and allowances of Government employees has been discontinued by most, if not all, countries of the world, including the United Kingdom. We have the unique distinction of having a cumbersome and centralized system of determination of basic pays that remain unchanged for more than a decade at a time, reinforced by instalments of dearness allowance which are released every six months. Most countries have now switched over to negotiated pay settlements at the decentralized departmental level, in which the salaries are revised every year after taking into account all factors, including the change in the cost of living index. We shall, in a subsequent chapter, deal with the question of what would be a better system of pay revision.

मन्त्रमेव जयते

*What Pay
Commissions do*

1.2 A great many changes take place in the structure of emoluments of Government employees over a decade. It thus becomes necessary to modify the pay structure so as to enable Government employees to lead clean, honest and respectable lives at standards compatible with what their peers have meanwhile attained or what they themselves accept as reasonable at the standards of living to which they have become accustomed. Successive Pay Commissions have been set up in the past for evolving compensation packages for employees at intervals of 10 to 13 years. These Pay Commissions examine various issues such as pay and allowances, retirement benefits, conditions of service, promotion policies, etc. and submit recommendations thereon.

*JCM
procedure*

1.3 The Joint Consultative Machinery was constituted by the Government in the year 1966 to promote harmonious relations and secure the greatest measure of cooperation between the Government in its capacity as employer and the general body of employees (belonging to Groups C & D) in matters of common concern. According to sub-clause (ii) of clause 20 of the

scheme for joint consultative machinery and compulsory arbitration for Central Government employees, matters determined by the Government in accordance with the recommendations of a Commission of Enquiry are not subject to arbitration for a period of five years from the date of the recommendations. Thus Pay Commissions are a device by which an independent body investigates the demands of Central Government employees and submits its recommendations which are binding on both Government and its employees. Conceptually, they fall short of a forum for collective bargaining, but they do provide an opportunity for a periodic review by an outside body in whom both the Government and the employees have confidence.

*Supreme Court
Judgements on
Pay
Commission's
jurisdiction*

1.4 Regarding the jurisdiction of the Pay Commission, Supreme Court has repeatedly held the view that equation of job evaluation of posts or equation of pay or determination of pay scales are the primary functions of expert bodies like the Pay Commission with which normally the Courts should not interfere, except on any of the grounds of unjust and arbitrary state action or inaction or on any grave error having crept in while fixing the pay scales which may warrant the interference of the Court. Following extracts of the judgements throw light on this aspect.

1.5 Hon'ble M.H.Beg, Chief Justice of the Supreme Court of India while speaking for the Bench in Prabhat Kiran Maithani and Others Vs. Union of India and Another 199 Supreme Court Cases (L&S) 279 has made the following observations:

"We are afraid this is a matter which lay entirely within the sphere of the functions of the Pay Commission. The Court cannot satisfactorily decide such disputed questions on the slender material on which the learned counsel for the petitioner relies in order to displace what appears to us to be, prima facie, the effect of the Report of the Third Pay Commission of 1973."

1.6 In another case, namely, State of U.P. and Others Vs. J.P. Chaurasia and Others 1989 (1) SCC 121, it has been ruled thus:

"The equation of posts or equation of pay must be determined by expert bodies like Pay Commission. They would be the best judge to evaluate the nature of duties and responsibilities of posts. If there is any such determination by a Commission or Committee, the Court should normally accept it. The Court should not try to tinker with such equivalence unless it is shown that it was made with extraneous consideration."

1.7 A Division Bench of the Supreme Court, presided over by Justice A.M. Ahmadi, (presently learned Chief Justice of India) made the following observation in Secretary, Finance Department and Others Vs. West Bengal Registration Service Association and Others 1993 (Supp.) (1) SCC 1.

"It is well settled that equation of posts and determination of pay scales is the primary function of the executive and not the judiciary and, therefore, ordinarily courts will not enter upon the task of job evaluation which is generally left to expert bodies like the Pay Commissions, etc. But that is not to say that the Court has no jurisdiction and the aggrieved employees have no remedy if they are unjustly treated by arbitrary State action or inaction."

HISTORICAL PERSPECTIVE

*The first four
Pay Commissions*

1.8 We are the fifth in the series of Pay Commissions set up in the last 50 years. The First Central Pay Commission (CPC) was appointed by the Government in May, 1946 and it submitted its report in May, 1947. The Second CPC was set up in August, 1957 and its report was submitted in August, 1959. The Third CPC was constituted in April, 1970 and it reported in March, 1973. The Fourth Pay Commission was appointed in July, 1983 and it submitted its three reports in June and December, 1986 and May, 1987. It will thus be noticed that while the first Commission took one year in finalizing its report, the time taken by the subsequent Commissions was as follows :-

Table : Time Taken by Pay Commissions

Pay Commission	Time Taken
First	One year
Second	Two years
Third	Three years
Fourth	Three years and eleven months

*Setting up of
the Fifth CPC*

1.9 The Fourth CPC had recommended that there should be a permanent machinery to undertake periodical review of pay and allowances of Central Government employees. This was considered by the Government, which did not find it possible to accept and implement this recommendation. Various employees' unions, associations and confederations were not satisfied with this decision of the Government. They were pressing over the years for the acceptance and implementation of this recommendation. The matter was discussed in a number of meetings of the National Council of the Joint Consultative Machinery. Finally, in September, 1993 Government, without agreeing to implement the above recommendation, promised to appoint a new Pay Commission to review the pay structure of Central Government employees. The notification constituting the Fifth Central Pay Commission was issued on 9th April, 1994.

THE FIFTH CENTRAL PAY COMMISSION

Composition

1.10 The Composition of the Fifth Central Pay Commission is as follows :-

Chairman	Justice S Ratnavel Pandian, former Judge of the Supreme Court of India
Member	Prof. Suresh Tendulkar, Professor of Economics, Delhi School of Economics

Member Secretary

Shri M.K. Kaw, a member of the Indian Administrative Service.

Number of members

1.11 With regard to the number of members, there seems to be a declining trend. The First CPC had nine members, the Second CPC six, the Third and Fourth CPCs had five each, as against the three members of the Fifth CPC.

Member-Secretary

1.12 It is also interesting to observe that the First CPC did not have a Member Secretary. Its Secretary was Shri K.R.P. Aiyangar. The Member Secretaries of the later CPCs were Shri L.P. Singh ICS, Shri H.N. Ray ICS and Shri A.K. Majumdar IAS, respectively.

TERMS OF REFERENCE

Original Terms of Reference, April, 1994

1.13 The terms of reference of the Commission are the following

- (a) To evolve the principles which should govern the structure of emoluments and those conditions of service of Central Government employees which have a financial bearing
- (b) To examine the present structure of emoluments and conditions of service of the following categories of Government employees, taking into account the total packet of benefits available to them and suggest changes therein may be desirable and feasible:
 - i) Central Government employees - industrial and non-industrial;
 - ii) Personnel belonging to the All India Services;
 - iii) Personnel belonging to the Armed Forces;
 - iv) Personnel of the Union Territories; and
 - v) Officers and employees of the Supreme Court of India and the High Court of Delhi.
- (c) To examine, with a view to having a proper pension structure for pensioners, the existing pension structure including death-cum-retirement benefits and make recommendations relating thereto which may be desirable and feasible.
- (d) To examine the work methods and work environment as also the variety of allowances and benefits in kind that are presently available to the aforementioned categories in addition to pay and to suggest rationalisation and simplification thereof with a view to promoting efficiency in administration, reducing redundant paper work and optimising the size of the Government machinery
- (e) To make recommendations on each of the foregoing having regard, among other relevant factors, to the prevailing pay structure and retirement benefits available under the State Governments, etc., economic conditions

in the country, the resources of the Central Government and the demands thereon such as those on account of economic and social development, defence and national security and requirements of sound fiscal management

*Additional
Terms of
Reference,
January, 1993*

1.14 By a subsequent Resolution No.5(12)/E-III/93 dated 12th January, 1995, sub para 2(f) was added so as to amend the terms of reference as under:-
"2(f) The Commission may consider the demands of the staff side of the National Council of the JCM for grant of another instalment of interim relief and merger of a further portion of DA with pay (for the purpose of gratuity alone) and send a report thereon, if the Commission feels that it will not be possible for them to submit their final report within a period of 18 months from the date of its appointment.

While considering these demands, the Fifth Central Pay Commissions may take into account the interim relief and the merger of 20% of DA with pay only for the purpose of gratuity, already sanctioned by the Government in September, 1993 "

*Additional
Terms of
Reference,
July, 1996*

1.15 The terms of reference of the Commission were again amended by Government in July, 1996 by the addition of the following new para

"2(g) The Commission may consider whether another instalment of interim relief may be granted to the Central Government employees and give an interim report thereon. The interim relief, if recommended, shall have to be fully adjusted against and subsumed in the package which may become admissible to the Central Government employees on acceptance of the final recommendations of the Pay Commission "

*Additional Terms
of Reference,
October, 1996*

1.16 On 24th October, 1996, another amendment led to the exclusion of Members of the Subordinate Judiciary of the Union Territories from our purview.

*Additional Terms
of Reference,
November, 1996*

1.17 A new para was added to the Terms of Reference by Government notification dated 19th November, 1996 as under .

"2(h) To examine the various methodology employed for determination and payment of Productivity Linked Bonus (PLB) in the Ministries and Departments of the Central Government and recommend the general principles and conditions which should govern payment of bonus and also to recommend the specific parameters for evolving bonus formulae for each Ministry and Department where PLB schemes are in force at present.

The Commission may also examine the 'ad hoc' bonus scheme in force in those Departments where PLB schemes are not in operation with a view to recommending the desirability and feasibility of introducing productivity linked incentive scheme and may recommend a specific formula for determining the productivity index and other parameters."

*Copies of
notifications*

1.18 Copies of all the Government notifications about our Terms of Reference are placed at Annexes 1.1 to 1.5

DIFFERENCES IN THE TERMS OF REFERENCE

Principles

1.19 In terms of paragraph 2 of the Resolution, there are certain differences between the Terms of Reference of the Fourth and Fifth CPCs. While the Fifth CPC is required to enquire into and make recommendations on the principles which should govern the structure of emoluments and conditions of service of Central Government employees which have a financial bearing, there was no such provision in the terms of reference of the Fourth CPC. We have not taken a rigid view of the phrase "which have a financial bearing", as most matters relating to structure of emoluments and conditions of service do have a financial bearing, directly or indirectly. In any case there invariably are implications for efficiency and productivity, reduction of paper work or optimisation of manpower, all of which are covered by our Terms of Reference.

Armed Forces personnel

1.20 The Fifth CPC has been asked, for the first time, to examine the terms and conditions of service of Armed Forces Personnel and to suggest changes which are considered desirable and feasible. Examination of the conditions of service of Armed Forces Personnel did not figure in the Terms of Reference of Fourth CPC. Even their recommendations with regard to changes in the structure of emoluments including death-cum-retirement gratuity in respect of Armed Forces Personnel had to be made with due regard to the terms and conditions of their service.

Pensioners

1.21 While the Fourth CPC was asked to examine a proper pension structure for the 'pensioner - both past and future', this Commission has been asked to examine a proper pension structure for 'pensioners', whereby reference to 'past and future' pensioners has been omitted. However, we do not consider this to be deliberate in the sense of disallowing a consideration of the question of parity between past and future pensioners.

Comparison with PSU's

1.22 The Fourth CPC was required to make recommendations having regard, among other relevant factors, to the then prevailing pay structure under the Public Sector Undertakings, State Governments, etc. whereas the reference to 'Public Sector Undertakings' does not figure in the terms of reference of the Fifth Pay Commission. We believe that there was an implied attempt on the part of the Government to exclude a nexus between the compensation packages of Central Government employees and those working in the public sector. However, this did not deter us from collecting information from the various PSEs for the purpose of making a fair comparison and an assessment of the general climate of wage revisions in the country. Although we do not accept the Staff Side plea for a parity between the employees of the PSUs and the Government, we cannot deny that some relativity between the two groups has to be maintained.

Supreme Court of India and High Court of Delhi

1.23 The Fifth CPC is also required to examine the present structure of emoluments and conditions of service of the officers and employees of the Supreme Court of India and the High Court of Delhi. The above Courts were not included in the terms of reference of Third CPC and only the officers and employees of the Supreme Court were included in the amended Terms of Reference of the Fourth CPC.

*Efficiency in
administration*

1.24 This Commission is required to examine the work methods and work environment as also the variety of allowances and benefits in kind that were available to Central Government employees and to suggest rationalisation and simplification thereof with a view to promoting efficiency in administration, reducing redundant paper work and optimising the size of Government machinery. The examination of 'work methods' and 'work environment' and reference to reduction of redundant paper work and optimisation of the size of Government machinery were not included in the terms of reference of the Fourth CPC, and accordingly the scope and ambit of the Fifth CPC is much wider. This Commission has had to undertake in-depth study and examination of various aspects of Government working with a view to suggesting improvements in administration, efficiency and manpower development.

Interim Relief

1.25 Unlike the terms of reference of the Fourth CPC relating to relief of an interim character, which covered all sections of employees, our amended terms of reference alluded only to the demands of the Staff Side of the National Council. This departure from the earlier terms of reference prompted other associations and representatives of different categories of employees not affiliated to or represented by the Staff Side of the National Council to request us to consider their demands separately. Having regard to the fact that our recommendations would also affect such employees, we decided to entertain such requests. Accordingly, we held discussions with the representatives of the Staff Side of the National Council of J.C.M., Armed Forces Pay Commission Cell, All India Confederation of Central Government Officers' Associations etc. prior to finalisation of our two Reports on Interim Relief to Central Government employees.

COVERAGE

*Central
Government
Employees -
definition*

1.26 The expression 'Central Government employees' in the terms of reference of the Fifth CPC covers employees of the Government, belonging both to the civilian and defence services.

Second CPC

1.27 The expression "Central Government employees" has not been defined in the Constitution or any other law. The Second Pay Commission, for the purpose of the enquiry, had taken all persons in the civil services of the Central Government or holding civil posts under that Government and paid out of the Consolidated Fund of India, to be Central Government employees. Employees of the Union territories were also included.

Third CPC

1.28 The Third CPC made a reference to the term 'Government Servant' as given in some of the service rules governing the Government employees such as Central Civil Services (Conduct) Rules, 1964 and Central Civil Services (Classification, Control and Appeal) Rules, 1965 and found that these service rules indicated only the categories of persons to whom rules were applicable. The Commission considered "all persons in the civil services of the Central Government or holding civil posts under that Government and paid out of the Consolidated Fund of India" to be Central Government employees. It excluded the seven categories of posts mentioned in paragraph 5 of Chapter I of its Report from its purview.

Fourth CPC

1.29 The Fourth Pay Commission was of the view that the expression

'Central Government employees' covered all such employees, and not merely those in the "Civil" services of the Central Government or holding "Civil" posts under that Government, for the simple reason that there was no such restrictive or exclusive qualification in the expression itself. A member of the defence services was, therefore, also a Central Government employee, although his case may fall under another category of employees for purposes of the terms of reference.

Excluded categories

1.30 However, the following categories of employees are excluded from our purview .

- i) Employees of the Secretariat of both Houses of Parliament, who are governed by specific provisions of the Constitution
- ii) Casual Labour and part-time employees.
- iii) Locally recruited staff in various missions abroad

Extra departmental Agents

1.31 So far as the Extra Departmental Agents under the Department of Posts are concerned, a one-man Committee under the Chairmanship of Justice Charanjit Talwar, a Retired Judge of the Delhi High Court, was constituted by the Government on 31.3.95, to examine the conditions of service, emoluments and other facilities available to the Extra Departmental Agents. As in the past, therefore, they stood excluded from the purview of this Commission

Employees of PSU's and Autonomous Bodies

1.32 Certain associations representing the employees of Central Public Sector Enterprises governed by the scales of pay and Central Dearness Allowance pattern applicable to Central Government employees submitted memoranda to the Commission requesting that their demands should also be considered by the Commission. We made a reference to the Government and it was clarified that employees of Public Sector Undertakings, irrespective of whether they were borne on Central Dearness Allowance pattern or Industrial Dearness Allowance pattern were not included in the terms of reference of this Commission. It was also clarified that employees of the Central Autonomous Bodies were not covered by our terms of reference.

Definition of Conditions of Service

1.33 There is no formal definition of the term "Conditions of Service". The Second CPC did not restrict itself to the provisions of the rules, but adopted a wider interpretation of the above expression to cover all matters which had a bearing on the contentment, morale and efficiency of the employees. It made no distinction between the financial and non-financial conditions of service. The Third CPC interpreted the expression in a limited sense and excluded certain matters from its inquiry for reasons given in para 14 of Chapter I of its Report. The Fourth CPC was of the view that the term "Conditions of Service" covered not only the regulatory aspect of a service and its emoluments, but also all other matters bearing on the service of an employee including the terminal benefits.

PROCEDURE OF WORK

Receipt of Memoranda

1.34 As per our Terms of Reference, the Commission was to devise its own procedure as it might consider necessary for any particular purpose. We decided upon our strategy after studying the methodology adopted by our

predecessors. A public notice was issued by the Commission inviting Associations, Unions, Institutions, Organisations and interested individuals to send memoranda on the terms of reference of the Commission, on or before 15th July, 1994. The time limit was subsequently extended upto 31st August, 1994. In response to the notice, we received about 18,000 memoranda. Besides, we received the Armed Forces Memorandum in March, 1995. This number should be viewed against the 950 memoranda received by the First CPC, 5,000 by the Second CPC, 9,500 by the Third CPC and 8,500 by the Fourth CPC. It would not perhaps be wrong to say that this could be considered an overwhelming response.

*Memoranda of
Ministries*

1.35 All the Ministries/Departments of the Central Government were requested to send us memoranda on the subjects covered by our terms of reference. We also issued a detailed proforma to all the Ministries/Departments, calling for information about posts, pay scales, recruitment and promotion rules, etc. Central Ministries/Departments and State Governments/Union Territories were requested to nominate a senior officer each of a level not below Joint Secretary, to effectively liaise with the Commission, so as to ensure supply of correct and comprehensive information. Accordingly 82 liaison officers of the Ministries/Departments of the Central Government and 30 liaison officers of the State Governments/Union Territories were nominated.

*Pay Commission
Cells*

1.36 In order to ensure expeditious processing of requests received from the Commission for the supply of data/information, Ministries/Departments were requested to set up dedicated Pay Commission Cells. Since all correspondence between the Commission and various Ministries/Departments was to be dealt with only by the respective nominated Liaison Officers, the Cells were to function under the direct supervision of these officers. Accordingly, Pay Commission Cells were set up in most of the Ministries/Departments.

*Instructions to
Departments*

1.37 At our request, Government issued instructions to all departments advising them to extend their fullest cooperation and assistance to the Commission. While furnishing information to the Commission, the following instructions were to be kept in view:

- i) Whenever factual information was called for, there should be no hesitation to furnish all necessary factual information. The reason for arriving at a particular decision taken by the Government or the circumstances in which a decision was taken might also be explained so as to help the Commission in understanding the policy of the Government.
- ii) Whenever the views of the Government on any policy matter were desired by the Commission, the views should be finalised expeditiously in consultation with all the concerned Ministries/Departments or authorities. Wherever it was not possible to ascertain the final views of Government expeditiously, Secretaries might, if they so desire, give their personal views, in the light of their knowledge and experience. In such cases, it should specifically be made clear that the views were personal and not the official stand of the Department.
- iii) Other Secretariat officers like Additional Secretaries, Joint Secretaries, Deputy Secretaries or Under Secretaries as well as Heads of Departments could also submit their views on matters falling within their sphere of

work. They could give evidence orally after obtaining prior approval. In such cases the views might be indicated as their personal views.

- iv) Government employees could appear before the Commission on behalf of service associations without prior permission of the Government and submit memoranda individually, jointly or severally to the Commission on matters within its Terms of Reference.

Questionnaire 1.38 After we had a preliminary look at the memoranda we had a fair idea of the kinds of questions that one should ask. We held a workshop to test a draft questionnaire that we had devised. As soon as the questionnaire was finalized, it was issued to around six thousand eminent persons from various walks of life, including Members of Parliament, to ascertain their views. Over twelve hundred replies were received and processed in the Commission. Specific Questionnaires were also issued to State Governments, Public Sector Undertakings and to Governments abroad (through our diplomatic missions) to ascertain the compensation packages and conditions of service of their employees. The replies received from these sources were also processed in the Commission. All these formed valuable inputs for the analysis of the various issues that were to be decided by us.

Oral evidence 1.39 From 27th June, 1995 to 20th March, 1996, the Commission took oral evidence of various Unions, Federations and Associations of Central Government employees. In all, oral evidence of 553 Unions/ Federations was taken which is at Annexe 1.6. During such oral evidence, a considerable number of documents were also presented to us. We also had the benefit of advice from Secretaries, Heads of Departments and eminent persons, lists of whom may be seen at Annexes 1.7 and 1.8.

Visits 1.40 The Commission also visited various establishments at different places in the country to conduct on the spot study of the conditions of service and environment prevailing in different Central Government establishments and to provide an opportunity to thousands of field employees to interact directly with us. The Commission decided to visit some of the Commonwealth countries with a distinguished record of public service reforms. These included Malaysia, New Zealand, Canada and the United Kingdom. A list of establishments visited is at Annexe 1.9.

Institutional Consultants 1.41 In a major departure from the procedure followed by previous Commission, this Commission decided to take expert opinion of research institutes of excellence. Nineteen studies on selected topics concerning Central Government employees were assigned to organisations like the Indian Institute of Science, Bangalore, Indian Institute of Technology, Delhi, Indian Institute of Public Administration, National Productivity Council, Institute of Defence Studies and Analysis, Institute of Applied Manpower Research, Management Development Institute, Centre for Policy Research, Tata Consultancy Services, Fiscal Research Foundation, Faculty of Management Studies at Delhi University, National Institute of Nutrition, Tata Economic Consultancy Services, M/s Noble House and the Strategic Management Group. The details of the items of study and the institutions to whom these were assigned may be seen in Annexe 1.10. The consultants had wide-ranging discussions with the concerned departments and associations of employees. Reports of all these institutions were received and analyzed in the

Commission and extracts from them have been included at suitable places in the text. It is hoped that with this pioneering effort, a trend towards developing a body of literature concerning matters related to Government employees, their conditions of service, compensation packages, restructuring of Governmental organizations, etc. will be set. **We recommend that all these Reports be made available to a larger audience outside the Government.** The mechanism of institutional consultants, we found, was preferable to appointment of individual experts as advisers to the Pay Commission. It provided an institutional expert input, instead of merely individual impressions:

Inter-departmental Committees

1.42 A study of the Reports of the previous CPCs revealed that on a number of issues they had recommended the setting up of Inter-Departmental Committees by the Government in order to consider contentious matters and come up with solutions. It was found that in a number of instances, some Committees were either not set up or took an unconscionable time to submit their Reports. Where their recommendations became available, the Government failed in numerous cases to resolve the matters finally, sometimes even till today. Learning from the past, the Commission decided that some of the important Inter-Departmental Committees should be set up during the currency of the Commission itself. In a few cases when the concerned Ministries showed reluctance, the Commission constituted the Committees on its own. The idea was to have their recommendations and make these the basis for our final report. We are glad to state that we have largely succeeded in our objective. A list of these Committees is placed at Annexure 1.11.

INTERIM REPORTS

First and Second Interim Reports

1.43 The Commission submitted its first Report, which pertained to Interim Relief to pensioners, on 21st October, 1994. It was recommended that all pensioners and family pensioners be sanctioned an Interim Relief at a uniform rate of Rs 50 per month. This was to be treated as a distinct and separate element to be set off against the retirement benefits to be finally recommended. The Second Report of the Commission was submitted to Government on 2nd May, 1995. It recommended the grant of Interim Relief equal to 10% of basic pay, subject to a minimum of Rs.100/- per month. A further instalment of Interim Relief equal to 10% of the basic pension/family pension subject to a minimum of Rs 50 per month was also recommended. It was suggested that Dearness Allowance linked to the average AICPI 1201.66 as on July 1, 1993 be treated as dearness pay for reckoning emoluments for the purpose of retirement and death gratuities, and the ceiling on gratuity be enhanced to Rs 2.5 lakhs. These recommendations were to be given effect to from 1st April, 1995.

Third Interim Report

1.44 We submitted our Third Report on Interim Relief on 2nd August, 1996. Interim Relief equal to 10% of basic pay, subject to a minimum of Rs 100 per month was recommended. All pensioners and family pensioners were to be sanctioned a further instalment of Interim Relief equal to 10% of their basic pension/family pension, subject to a minimum of Rs.100 per month. These recommendations were to be given effect from 1st April, 1996. Recommendations contained in our Interim Reports were accepted by the Government. Orders in respect of issues dealt with in the first and second Reports were issued by the

Government on 14th July, 1995 and those in respect of the recommendations in the Third Report on 6th September, 1996.

OUR REPORT

- General Format* 1.45 Our Report is in nine parts and has a total of 172 chapters.
- Part I* 1.46 Part I is a general introduction to the Report
- Part II* 1.47 Part II deals with Public Services Management. It is our clear belief that the nation should first build a consensus on certain fundamental issues relating to its public services. These are connected to the kind of governance we wish to have in the country. In the light of the changing social, economic, political and other trends, it is necessary to examine the changing face of the Central Government and the role of the public services therein.
- 1.48 Public Services Management can be divided into three main segments - promoting efficiency, human resource development and optimising the size of the Government machinery.
- 1.49 For promoting efficiency we must start by redefining the functional goals and then move to problems of restructuring of organisations. We have to take account of work methods and work environment, improve productivity, introduce automation, openness and autonomy and develop an effective management information system.
- 1.50 Human resource development would imply evolving of better recruitment methods, improving mobility between Government and other sectors, emphasizing training and development, devising creative and innovative performance appraisal systems, having a promotion policy that enhances motivational levels and introducing accountability into the governmental system.
- 1.51 Optimisation of the machinery would cover the most significant issue of workforce size control or right-sizing the Government. This has been approached from the point of view of large segments like the organised services, the railways, the postal and telecommunication services, the armed forces and the central police organisations. The final aim is to have a leaner and meaner bureaucracy, while promoting efficiency
- Part III* 1.52 Part III deals with principles of pay determination. We start with a discussion on the backdrop of the general economic situation and the financial resources of the Central Government. For the purpose of fair comparison, we move on to the conditions prevailing in the public and private sectors as also in the Indian States and other countries of the world
- 1.53 We have then tried to present a discussion on the general principles for pay determination, the minimum and maximum salaries and the Government's capacity to pay.
- Part IV* 1.54 Part IV deals with pay scales of civilian employees. We first make our recommendations with regard to organised services and common categories and

then fix the pay scales for other posts in the various Ministries and Departments of the Central Government. This is followed by a Section on the officers and employees of the Supreme Court of India and the High Court of Delhi. We conclude this Part by suggesting the pattern for the Union Territories.

Parts V & VI 1.55 Part V deals with allowances and facilities, and Part VI with pensions and other retirement benefits for civilians.

Parts VII & VIII 1.56 Part VII concerns itself with the pay scales and allowances of Armed Forces personnel and Part VIII with their conditions of service and pensionary benefits.

Part IX 1.57 Part IX is the concluding part of the Report.

Our overall strategy 1.58 The whole idea of having Public Service Management first and Pay scales later is that we should first decide what we are going to do with our bureaucracy, its size, efficiency, productivity, effectiveness and accountability, before we take up the question of what it should be paid. We hope that the government will appreciate the nexus that we seek to establish between the utility of the public servant to the nation and the payment he receives for his work. Our report should be implemented as an integral whole, in its entirety, as a complete package.

Certain Limiting Factors 1.59 In the Report we have tried to touch upon all important issues raised before us. We have not consciously sidestepped any issue: the attempt has been to express our views and suggest a clear line of action. As far as possible, the effort has been to indicate the reasons, in brief, that have weighed with us for acceptance or rejection of each demand. However, due to paucity of space, it is not feasible to furnish detailed justification on every point. This in itself should not, be interpreted to imply any lacuna in the proper examination of the matter. Decision on every issue has been taken after punctilious scrutiny at various stages in the Secretariat of the Commission. To ensure objectivity and impartiality in decision making, recommendations made by Team Leaders were submitted to a Core Group set up under the chairmanship of the Member Secretary and with four senior officers as members. All proposals finally went to the Commission in accordance with the recommendations of the Core Group.

Great expectations 1.60 The present Pay Commission has aroused great expectations in the minds of Central Government employees and it has perhaps not been possible for our recommendations to match those high hopes. Financial constraints of the Government have operated as a major limiting factor in making recommendations on pay and allowances, benefits and perquisites that would have been commensurate with the demands of the memorandists. Our attempt has been to provide the maximum relief possible to the Central Government employees within the overall resource constraint. We hope that the employees will appreciate the difficulty of our task in the present climate of fiscal deficits and a mounting public debt, both domestic and foreign.

WORKING OF THE COMMISSION

Posts

1.61 While the notification setting up the Fifth CPC was issued on 9th April, 1994, the Chairman took over charge of his office on 13th April, 1994. The Secretariat of the Commission started functioning on 2nd May, 1994 with the assumption of charge by the Member Secretary. At the very outset, a policy decision was taken to have a small team of officials in the Commission. As compared to 209 posts sanctioned for the Fourth CPC, we initially obtained sanction for only 107 posts with the understanding that more posts would be asked for when the pressure of work mounted. The Commission received a record number of memoranda and replies to questionnaires. The work relating to oral evidence by associations and individuals, finalisation of consultancy reports and obtaining the recommendations of Inter-departmental Committees, etc. added up and more posts were got sanctioned subsequently. The total number of posts sanctioned went up to 141, but the maximum number deployed at no stage exceeded 135.

Staff

1.62 With a view to benefiting from the expertise of officers drawn from different fields, the Commission gave representation to a large variety of services in its officer cadre. Officers were drawn from Indian Administrative Service, Indian Forest Service, Indian Audit & Accounts Service, Indian Railway Accounts Service, Indian Postal Service, Indian Ordnance Factories Service, Indian Defence Accounts Service, Indian Revenue Service, Indian Economic Service, Central Secretariat Service, Border Security Force, Geological Survey of India, Central Public Works Department and the National Informatics Centre.

1.63 Staff at lower levels was drawn on deputation from different Ministries and Departments. We took a policy decision to take only such persons as were holding analogous posts in their parent Departments. With deputation allowance having been reduced to 5% of basic pay by the Fourth CPC, posts in the Commission remained unattractive. It was partly the Commission's own experience in this regard that became the basis for our recommendations on deputation duty allowance.

Organisational Structure

1.64 The work of the Commission was divided into three wings - Administration Wing, Coordination Wing (including Computer and Statistical Units) and Technical Wing (consisting of six teams). The work allocation amongst the various teams, along with the details of staff sanctioned to each team is given in Annexure 1.12. Organizational Chart of the Commission is at Annexure 1.13. Name of each official deployed in the Commission, along with his service, is shown unit wise at Annexure 1.14.

Accommodation

1.65 The Commission was initially provided accommodation in 22 rooms of Vigyan Bhavan Annexe. As this was found inadequate for a regular office, the Directorate of Estates subsequently allotted 11,659.87 sq. feet area on the 2nd and 3rd floors of Trikoot-I Building at Bhikaji Cama Place, R.K.-Puram, New Delhi. The Commission shifted to its new premises on 11th March, 1995.

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART-I SECTION-I)

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

RESOLUTION

New Delhi, the 9th April, 1994
Chaitra 19, 1916 (Saka)

No.5(12)E-11/93. The Government of India have been considering for some time past the changes that have taken place in the structure of emoluments of Government employees over the years. Conditions have also changed in several respects since the last Pay Commission made its Report in 1986. Accordingly, it has been decided to appoint the Fifth Central Pay Commission comprising the following:-

1.	Chairman	-	Shri Justice S.R. Pandian
2.	Member	-	Prof. Suresh Tendulkar
3.	Member-Secretary	-	Shri M.K. Kaw

2. The terms of reference of the Commission will be as follows:-

- (a) To evolve the principles which should govern the structure of emoluments and those conditions of service of Central Government employees which have a financial bearing
- (b) To examine the present structure of emoluments and conditions of service of the following categories of Government employees, taking into account the total packet of benefits available to them and suggest changes therein which may be desirable and feasible:-
 - i) Central Government employees - industrial and non-industrial.
 - ii) Personnel belonging to the All India Services.
 - iii) Personnel belonging to the Armed Forces.
 - iv) Personnel of the Union Territories; and
 - v) Officers and employees of the Supreme Court of India and the High Court of Delhi
- (c) To examine, with a view to having a proper pension structure for pensioners, the existing pension structure including death-cum-retirement benefits and make recommendations relating thereto which may be desirable and feasible
- (d) To examine the work methods and work environment as also the variety of allowances and benefits in kind that are presently available to the aforementioned categories in addition to pay and to suggest rationalisation and simplification thereof with a view to promoting efficiency in administration, reducing redundant paper-work and optimising the size of the Government machinery
- (e) To make recommendations on each of the foregoing having regard, among other relevant factors, to the prevailing pay structure and retirement benefits available under the State Government, etc., economic conditions in the country, the resources of the Central Government and the demands thereon such as those on account of economic and social development, defence and national security and requirements of sound fiscal management.

3. The Commission will devise its own procedure and may appoint such Advisers, institutional consultants and experts as it may consider necessary for any particular purpose. It may call for such information and take such evidence as it may consider necessary. Ministries and Departments of the Government of India will furnish such information and documents and other assistance as may be required by the Commission. The Government of India trust that State Governments, Service Associations and others concerned will extend to the Commission their fullest cooperation and assistance.

4. The Commission will make its recommendations as soon as feasible. It may consider, if necessary, sending reports on any of the matters as and when the recommendations are finalised.

Ordered that the Resolution be published in the Gazette of India.

Ordered also that a copy of the Resolution be communicated to the Ministries/Departments of the Government of India, State Governments, Administrations of Union Territories and all others concerned.

Sd/-
(K. Venkatesan)
Secretary to the Government of India

**(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
PART I-SECTION 1)**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

*New Delhi, the 12th January, 1995.
22 Pausa 1916*

RESOLUTION

No. 5(12)/E.III/93. Government of India have decided that the Terms of Reference of the Fifth Central Pay Commission as contained in this Ministry's Resolution of even number dated 9th April, 1994 shall be amended by addition of a new para 2(f) below 2(c) of the Resolution as under :-

2(f): "The Commission may consider the demands of the staff side of the National Council of the JCM for grant of another instalment of interim relief and merger of a further portion of DA with pay (for the purpose of gratuity alone) and send a report thereon, if the Commission feels that it will not be possible for them to submit their final Report within a period of 18 months from the date of its appointment.

While considering these demands, the Fifth Central Pay Commission may take into account the interim relief and the merger of 20% of DA with pay only for the purpose of gratuity, already sanctioned by the Government in September, 1993."

Ordered that the Resolution be published in the Gazette of India.

Ordered that a copy of the Resolution be communicated to the Fifth Central Pay Commission.

Ordered also that a copy of the Resolution be communicated to Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.

Sd/-
(K. VENKATESAN)
SECRETARY OF THE GOVERNMENT OF INDIA

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
PART-I SECTION 1)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

New Delhi, the 17th July, 1996
Asadha 26, 1918(Saka)

RESOLUTION

No.5(12)/E-III/93. The Government have decided that the Terms of Reference of the Fifth Central Pay Commission as contained in this Ministry's Resolution of even number dated 9th April, 1994 and amended vide this Ministry's Resolution of even number dated 12th January, 1995 shall be further amended by the addition of a new para 2(g) below para 2(f) as under:-

- 2(g) "The Commission may consider whether another instalment of interim relief may be granted to the Central Government employees and give an interim report thereon. The interim relief, if recommended, shall have to be fully adjusted against and subsumed in the package which may become admissible to the Central Government employees on acceptance of the final recommendations of the Pay Commission".

Ordered that the Resolution be published in the Gazette of India.

Ordered that a copy of the Resolution be communicated to Fifth Central Pay Commission.

Ordered that a copy of the Resolution be communicated to Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.

Sd/-
(N.K. SINGH)
SECRETARY TO GOVERNMENT OF INDIA

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
PART -I SECTION 1)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

New Delhi the 24th October, 1996
Kartika 2, 1918(Saka)

RESOLUTION

No.5(12)/E-III/93. The Government have decided that Para 2(b) (iv) of the Terms of Reference of the Fifth Central Pay Commission as contained in this Ministry's Resolution of even number dated 9th April, 1994 may be modified on the following lines:

Existing term

Modified term

Para 2(b) (iv):

Para 2(b) (iv):

Personnel of Union
Territories; and

Personnel of Union Territories except Members of the
Subordinate Judiciary; and

Ordered that the Resolution be published in the Gazette of India.

Ordered that a copy of the Resolution be communicated to Fifth Central Pay Commission

Ordered that a copy of the Resolution be communicated to Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.

Sd/-

(C RAMACHANDRAN)

SECRETARY TO GOVERNMENT OF INDIA

**(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
PART-I SECTION I)**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

New Delhi, the 19th November, 1996
Kartika 28, 1918 (Saka)

RESOLUTION

No. 5(12)/E-III/93 The Government have decided that the Terms of Reference of the Fifth Central Pay Commission as contained in this Ministry's Resolution of even number dated 9th April, 1994 and amended vide this Ministry's Resolutions of even numbers dated 12th January, 1995, 17th July, 1996 and 24th October, 1996 shall be further amended by the addition of a new para 2(h) below para 2(g) as under -

- 2(h) "To examine the various methodology employed for determination and payment of Productivity Linked Bonus (PLB) in the Ministries and Departments of the Central Government and recommend the general principles and conditions which should govern payment of bonus and also to recommend the specific parameters for evolving bonus formulae for each Ministry and Department where PLB schemes are in force at present.

The Commission may also examine the 'ad hoc' bonus scheme in force in those Departments where PLB schemes are not in operation with a view to recommending the desirability and feasibility of introducing productivity linked incentive scheme and may recommend a specific formulae for determining the productivity index and other related parameters."

Ordered that the Resolution be published in the Gazette of India.

Ordered that a copy of the Resolution be communicated to Fifth Central Pay Commission.

Ordered that a copy of the Resolution be communicated to Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.

Sd/-
(N K. SINGH)
SECRETARY TO GOVERNMENT OF INDIA

**LIST OF FEDERATIONS/UNIONS/ASSOCIATION WHO
TENDERED ORALEVIDENCE BEFORE PAY COMMISSION**

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
MINISTRY OF AGRICULTURE	
1.	ASSOCIATION OF TECHNICAL OFFICERS OF DIRECTORATE OF PLANT PROTECTION QUARANTINE AND STORAGE
2.	DELHI MILK SCHEME EMPLOYEES' UNION
3.	DELHI MILK SCHEME TECHNICAL STAFF ASSOCIATION
4.	NON-GAZETTED TECHNICAL EMPLOYEES WELFARE ASSOCIATION,
5.	TECHNICAL OFFICERS ASSOCIATION
MINISTRY OF CIVIL AVIATION & TOURISM	
6.	CIVIL AVIATION DEPARTMENT EMPLOYEES UNION
MINISTRY OF COMMERCE	
7.	DGS&D OFFICERS ASSOCIATION
8.	INDIAN TRADE SERVICE OFFICERS ASSOCIATION
9.	NATIONAL TEST HOUSE C&D STAFF ASSOCIATION
10.	NATIONAL TEST HOUSE EMPLOYEES' ASSOCIATION
11.	NATIONAL TEST HOUSE GAZETTED OFFICERS' ASSOCIATION
MINISTRY OF COMMUNICATIONS	
12.	ALL INDIA POSTAL EMPLOYEES UNION CLASS-III
13.	ALL INDIA POSTAL EMPLOYEES UNION POSTMEN & CLASS IV
14.	ALL INDIA RMS & MMS EMPLOYEES UNION CLASS III
15.	ALL INDIA RMS & MMS EMPLOYEES UNION, CLASS IV
16.	ALL INDIA ASSOCIATION OF INSPECTORS AND ASSTT SUPERINTENDENTS OF POST OFFICE
17.	ALL INDIA ASSOCIATION OF POSTAL SUPERVISORS(GEN. LINE)
18.	ALL INDIA POSTAL ACCOUNTS EMPLOYEES ASSOCIATION
19.	ALL INDIA POSTAL ADMINISTRATIVE OFFICES EMPLOYEES UNION(GROUP C&D)(CHQ)
20.	ALL INDIA TELECOM ADMINISTRATIVE EMPLOYEES UNION
21.	ALL INDIA POSTAL & RMS ACCOUNTANTS ASSOCIATION
22.	BHARATIYA POSTAL EMPLOYEES FEDERATION
23.	BHARTIYA TELECOM EMPLOYEES FEDERATION
24.	BHARTIYA POSTAL EMPLOYEES UNION, CLASS III

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
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| 25. | BHARTIYA POSTAL EMPLOYEES UNION POSTMEN & CLASS IV |
| 26. | BHARTIYA RMS & MMS EMPLOYEES UNION, CLASS III |
| 27. | BHARATIYA POSTAL ADMN. OFFICES EMPLOYEES UNION GROUP
C&D(CHFQ) |
| 28. | FEDERATION OF NATIONAL POSTAL ORGANISATION |
| 29. | FEDERATION OF NATIONAL TELECOM ORGANISATIONS |
| 30. | INDIAN POSTAL SERVICE ASSOCIATION. |
| 31. | INDIAN TELECOMMUNICATION SERVICE ASSOCIATION |
| 32. | INDIAN ENGINEERS FEDERATION |
| 33. | JUNIOR TELECOM OFFICERS' ASSOCIATION |
| 34. | NATIONAL FEDERATION OF POSTAL EMPLOYEES |
| 35. | NATIONAL FEDERATION OF TELECOM EMPLOYEES |
| 36. | NATIONAL UNION OF POSTAL EMPLOYEES |
| 37. | NATIONAL UNION OF POSTAL EMPLOYEES POSTMEN & CLASS IV |
| 38. | NATIONAL UNION OF RMS EMPLOYEES MAILGUARDS & CLASS IV |
| 39. | NATIONAL UNION OF RMS & MMS EMPLOYEES CLASS III |
| 40. | NATIONAL UNION OF TELEGRAPH ENGINEERS |
| 41. | POSTAL OFFICERS' ASSOCIATION(INDIA) |
| 42. | P&T CIVIL WING DIRECT RECRUIT ENGINEERS ASSOCIATION |
| 43. | P&T ACCOUNTS AND FINANCE (GROUP 'A') DIRECT RECRUIT
ASSOCIATION |
| 44. | TELECOM ENGINEERING SERVICES ASSOCIATION. |
| 45. | TELECOM FACTORIES ENGINEERING ASSOCIATION |
| 46. | WPC AND MONITORING OFFICERS' GUILD |

MINISTRY OF DEFENCE

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| 47. | ALL INDIA ARMY ORDNANCE CORPS CLERKS ASSOCIATION |
| 48. | ALL INDIA DEFENCE EMPLOYEES FEDERATION |
| 49. | ALL INDIA CIVILIAN STORE KEEPING PERSONNEL ASSN(EME) |
| 50. | ALL INDIA ASSN. OF STOREKEEPING STAFF OF ARMY ORDNANCE CORPS |
| 51. | ALL INDIA MES CIVILIAN ENGINEERS ASSOCIATION |
| 52. | ALL INDIA ASSOCIATION OF ORDNANCE OFFICERS CIVILIAN(DIRECT) |
| 53. | ALL INDIA (MES) BARRACK AND STORES CADRE ASSOCIATION |
| 54. | ALL INDIA AIR FORCE CIVILIANS ASSOCIATION |
| 55. | ALL INDIA MES CLERICAL CADRE AND GROUP 'D'EMPLOYEES
ASSOCIATION |
| 56. | ALL INDIA ASSOCIATION OF EME SUPERVISORS (TECHNICAL) |
| 57. | ALL INDIA DEFENCE ACCOUNTS EMPLOYEES ASSOCIATION |
| 58. | ALL INDIA DEFENCE ESTATE EMPLOYEES ASSOCIATION |
| 59. | ALL INDIA FEDERATION OF PENSIONERS' ASSOCIATIONS |
| 60. | ALL INDIA NAVAL DRAUGHTSMEN'S ASSOCIATION |
| 61. | ALL INDIA E.M.E. HIGHLY SKILLED WORKERS' ASSOCIATION |

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
62.	ALL INDIA ASSOCIATION OF N.G.Os,(CENTRAL EXECUTIVE) CALCUTTA.
63.	ALL INDIA ENGINEERING DESIGN DRAUGHTSMEN ASSOCIATION, AVADI
64.	ALL INDIA ASSOCIATION OF NON-GAZETTED OFFICERS OF THE ORDNANCE, MADRAS.
65.	ARMED FORCES HEADQUARTERS GROUP 'D' EMPLOYEES ASSOCIATION
66.	AFHQ ASSOCIATION
67.	AIR FORCE STOREKEEPERS ASSN
68.	AFHQ, CIVILIAN OFFICERS ASSOCIATION.
69.	AIR FORCE CIVILIAN KARAMCHARI UNION
70.	AFHQ, STENOGRAPHERS ASSOCIATION
71.	AFHQ & ISO EMPLOYEES ASSOCIATION
72.	ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION
73.	AFHQ, CIVIL SERVICE(DR) GAZETTED OFFICERS ASSOCIATION
74.	BHARATIYA PRATIRAKSHA MAZDOOR SANGH
75.	CIL NON-GAZETTED OFFICERS ASSOCIATION.
76.	CENTRAL ORDNANCE DEPOT MAZDOOR UNION
77.	DEFENCE EMPLOYEES TECHNICAL PERSONNEL ASSOCIATION(INDIA)
78.	DEFENCE MARINE ENGINEERING TECH STAFF WELFARE ASSN' DQA (WP)
79.	DEFENCE SCIENTIST ASSOCIATION
80.	DEFENCE QUALITY ASSURANCE OFFICERS ASSOCIATION
81.	DEFENCE RESEARCH & DEVELOPMENT ORGANISATION SCIENTIFIC WORKERS ASSOCIATION
82.	DEFENCE FACTORIES ALL INDIA STORE KEEPERS ASSOCIATION
83.	DRAUGHTSMEN'S ASSOCIATION OF DIRECTORATE GENERAL OF QUALITY ASSURANCE
84.	DGQA GROUP 'B' OFFICERS ASSOCIATION, MADRAS
85.	DEFENCE QUALITY ASSURANCE GROUP 'B' OFFICERS ASSOCIATION, BANGALORE
86.	HIGHLY SKILLED DEFENCE WORKER'S ASSOCIATION
87.	INDIAN NATIONAL DEFENCE WORKERS FEDERATION
88.	INDIAN DEFENCE ACCOUNTS SERVICE ASSOCIATION
89.	INDIAN ORDNANCE FACTORIES GAZETTED OFFICERS ASSN
90.	INDIAN NAVY CIVILIAN OFFICERS ASSOCIATION.
91.	INDIAN DEFENCE SERVICES OF ENGINEERS, MILITARY ENGINEERING SERVICE GR 'A' OFFICERS ASSOCIATION
92.	INDIAN ORDNANCE FACTORIES SERVICE ASSOCIATION
93.	INDIAN DEFENCE ESTATE SERVICE ASSOCIATION
94.	INDIAN ORDNANCE FACTORIES SUPERVISORS' ASSOCIATION, KANPUR
95.	INDIAN NAVAL EMPLOYEES' UNION, MUMBAI
96.	INDIAN NAVAL DOCKYARD EMPLOYEES ASSOCIATION
97.	NAVAL ARMAMENT GAZETTED OFFICERS ASSOCIATION, VIZAG
98.	RESEARCH & DEVELOPMENT ESTABLISHMENT (ENGINEERS) EMPLOYEES UNION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
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| 99. | SCIENTIFIC WORKERS ASSOCIATION KANPUR |
| 100. | SCIENTIFIC WORKERS ASSOCIATION, DGQA, KATNI |
| 101. | SAINIK ASPATAL KARAMCHARI SANGH, PUNE |
| 102. | THE ORDNANCE TECH. PERSONNEL ASSOCIATION |

MINISTRY OF ENVIRONMENT AND FORESTS

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| 103. | BOTANICAL SURVEY OF INDIA EMPLOYEES ASSOCIATION |
| 104. | BOTANICAL SURVEY OF INDIA, SCIENTIFIC ADMINISTRATIVE AND
TECHNICAL OFFICERS ASSOCIATION |
| 105. | FOREST SURVEY TECHNICAL EMPLOYEES ASSOCIATION |
| 106. | NATIONAL ZOOLOGICAL PARK EMPLOYEES ASSOCIATION |
| 107. | SCIENTISTS ASSOCIATION OF MINISTRY OF ENVIRONMENT & FOREST |
| 108. | ZOOLOGICAL SURVEY OF INDIA EMPLOYEES ASSOCIATION |

MINISTRY OF EXTERNAL AFFAIRS

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| 109. | IFS(B) ASSOCIATION OF MINISTRY OF EXTERNAL AFFAIRS |
| 110. | INDIAN FOREIGN SERVICE ASSOCIATION |

MINISTRY OF FINANCE

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| 111. | ALL INDIA FEDERATION OF CENTRAL EXCISE EXECUTIVE OFFICERS |
| 112. | ALL INDIA FEDERATION OF CENTRAL EXCISE GAZETTED EXECUTIVE
OFFICERS |
| 113. | ALL INDIA CUSTOMS OFFICERS (DIRECT RECRUIT APPRAISERS)
ASSOCIATION. |
| 114. | BHARTIYA CURRENCY & COINS KARAMCHARI MAHASANGH |
| 115. | BANK NOTE PRESS OFFICE STAFF ASSN |
| 116. | CALCUTTA MINT EMPLOYEES UNION |
| 117. | CENTRAL REVENUES CHEMICAL SERVICE ASSOCIATION |
| 118. | CALCUTTA MINT WORKERS UNION |
| 119. | FEDERATION OF OFFICERS ASSOCIATION OF MINTS SECURITY PRESSES
AND PAPER MILL |
| 120. | INDIAN COST & ACCOUNTS SERVICE OFFICERS ASSOCIATION |
| 121. | INDIAN REVENUE SERVICE ASSOCIATION |
| 122. | INCOME TAX EMPLOYEES FEDERATION |
| 123. | INDIAN CUSTOMS & CENTRAL EXCISE SERVICE ASSOCIATION |
| 124. | INDIA SECURITY PRESS CLASS IV EMPLOYEES UNION |
| 125. | INDIA SECURITY PRESS & CURRENCY NOTE UNION |
| 126. | INCOME TAX GAZETTED SERVICE ASSOCIATION |
| 127. | INDIAN ECONOMIC SERVICE ASSOCIATION |
| 128. | NOIDA MINT WORKERS UNION |

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
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MINISTRY OF FOOD PROCESSING INDUSTRIES

129. CENTRAL FISHERIES OFFICERS ASSOCIATION

MINISTRY OF HEALTH AND FAMILY WELFARE

- 130. ALL INDIA PARA-DENTAL ASSOCIATION
- 131. ALL INDIA PORT AND AIRPORT HEALTH EMPLOYEES UNION
- 132. ALL INDIA CGHS AYURVEDIC & PHYSICIAN ASSOCIATION
- 133. ALL INDIA GENERAL DUTY MEDICAL OFFICERS ASSOCIATION
- 134. ALL INDIA CGHS HOMOEOPATHIC PHYSICIANS ASSN.
- 135. ALL INDIA GENERAL DUTY MEDICAL OFFICERS' ASSOCIATION
- 136. ALL INDIA GOVERNMENT MEDICAL STORES DEPOT OFFICIAL FEDERATION
- 137. CENTRAL GOVT HOSPITALS RADIOGRAPHERS WELFARE ASSOCIATION
- 138. COUNCIL OF NON-MEDICAL SCIENTISTS
- 139. CENTRAL LEPROSY TRAINING & RESEARCH INSTITUTE EMPLOYEES UNION
- 140. CENTRAL MEDICAL STORES EMPLOYEES UNION
- 141. DELHI DIETIC ASSOCIATION
- 142. FEDERATION OF INDIAN PHARMACIST ASSOCIATION
- 143. FORUM OF MEDICAL AND SURGICAL SERVING SUPERSPECIALISTS
(FOR MASSES)
- 144. GOVT. MEDICAL STORES DEPOT STAFF ASSOCIATION
- 145. GOVERNMENT MEDICAL STORE DEPOT EMPLOYEES UNION
- 146. GOVT.MEDICAL STORE DEPOT OFFICIALS ASSOCIATION
- 147. GROUP'B' GAZETTED NON-MEDICAL SCIENTIFIC ASSOCIATION
- 148. HOSPITALS OPERATION THEATRE TECHNICAL STAFF ASSOCIATION
- 149. HYGIENE INSTITUTE STAFF ASSOCIATION
- 150. INDIAN ASSOCIATION OF PHYSIOTHERAPISTS
- 151. JOINT ACTION COUNCIL OF SERVICE DOCTORS ORGANISATIONS
- 152. LADY HARDINGE AND KALAWATI SARAN HOSPITAL EMPLOYEES UNION
- 153. LADY HEALTH VISITORS AND AUXILLERY NURSES WELFARE ASSOCIATION
- 154. NATIONAL TUBERCULOSIS INSTITUTE NON-GAZETTED STAFF
ASSOCIATION
- 155. PHYSIOTHERAPY AND OCCUPATIONAL THERAPY PRACTITIONERS
ASSOCIATION OF GOVT HOSPITAL AND CGHS
- 156. STAFF ASSOCIATION OF RAJ KUMARI AMRIT KAUR COLLEGE OF NURSING
- 157. SPECIALIST OFFICERS ASSOCIATION OF CENTRAL HEALTH SERVICE
- 158. STAFF ASSOCIATION OF SEROLOGIST AND CHEMICAL EXAMINER OFFICE
- 159. SERVICE DENTAL OFFICERS' ASSOCIATION
- 160. TECHNICAL STAFF ASSOCIATION OF MIN. OF HEALTH & FAMILY WELFARE
- 161. TEACHING SPECIALISTS SUBCADRE ASSOCIATION
- 162. TRAINED NURSES ASSOCIATION OF INDIA

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
MINISTRY OF HOME AFFAIRS	
163.	ALL INDIA CENSUS EMPLOYEES FEDERATION
164.	ASSOCIATION OF SENIOR TRANSLATORS (CENTRAL SECRETARIAT OFFICIAL LANGUAGE SERVICE)
165.	CENTRAL SECRETARIAT OFFICIAL LANGUAGE TRANSLATORS ASSOCIATION
166.	OFFICIAL LANGUAGE WING EMPLOYEES ASSOCIATION
MINISTRY OF HUMAN RESOURCE DEVELOPMENT	
167.	ALL INDIA ARCHAEOLOGICAL SERVICE ASSOCIATION
168.	ASSOCIATION OF GOVT. LIBRARIES & INFORMATION SPECIALISTS
169.	CENTRAL EDUCATION ADVISORY OFFICERS ASSOCIATION
170.	GOVERNMENT OF INDIA LIBRARIANS ASSOCIATION
171.	JOINT COUNCIL OF LIBRARY ASSOCIATIONS OF INDIA
172.	NATIONAL MUSEUM NON-GAZETTED EMPLOYEES ASSOCIATION
173.	NATIONAL LIBRARY GAZETTED OFFICERS' ASSOCIATION
174.	NATIONAL LIBRARY STAFF ASSOCIATION
175.	NATIONAL LIBRARY EMPLOYEES ASSOCIATION
MINISTRY OF INDUSTRY	
176.	ASSOCIATION OF THE GAZETTED OFFICERS OF THE DEPARTMENT OF EXPLOSIVES, CIVIL LINES
177.	INDIAN SALT SERVICE OFFICERS ASSOCIATION
178.	PATENT OFFICE CALCUTTA STAFF ASSOCIATION
179.	SMALL INDUSTRIES DEVELOPMENT ORGANISATION NON-GAZETTED STAFF ASSOCIATION
180.	SMALL SCALE INDUSTRIES DEVELOPMENT ORGANISATION OFFICERS ASSOCIATION
181.	TECHNICAL GAZETTED OFFICERS ASSOCIATION
MINISTRY OF INFORMATION & BROADCASTING	
182.	AUDIENCE RESEARCH EMPLOYEES ASSOCIATION
183.	AIR FOREIGN SERVICES TRANSLATORS BROADCASTERS' ASSOCIATION
184.	AIR AND DD STENO ASSOCIATION
185.	ASSOCIATION OF RADIO & T.V. ENGINEERING EMPLOYEES
186.	AKHIL BHARTIYA AKSHWANI GROUP D'KARAMCHARI SANGH
187.	AIR & DOORDARSHAN ENGINEERING ASSN
188.	GRADUATE ENGINEERS ASSOCIATION OF AKASHWANI & DOORDARSHAN
189.	INDIAN INFORMATION SERVICE OFFICERS ASSOCIATION (GROUP A)

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
190.	PROGRAMME STAFF ASSOCIATION OF AIR & DOORDARSHAN
	MINISTRY OF LABOUR
191.	ALL INDIA CENTRAL GOVERNMENT CANTEEN EMPLOYEES ASSOCIATION
192.	AKHIL BHARTIYA CANTEEN MAZDOOR SABHA
	MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS
193.	ASSOCIATION OF OFFICERS OF CENTRAL LEGAL SERVICE
194.	ADVOCATES-ON-RECORD ASSOCIATION, SUPREME COURT
195.	ASSOCIATION OF OFFICERS & EMPLOYEES OF HIGH COURT OF DELHI
196.	CENTRAL COMPANY LAW SERVICE ASSOCIATION, NEW DELHI.
197.	EDITORIAL OFFICERS ASSOCIATION
198.	INDIAN LEGAL SERVICE OFFICERS' ASSOCIATION
199.	SUPREME COURT CLASS I OFFICERS' ASSOCIATION
200.	SUPREME COURT CLASS IV EMPLOYEES WELFARE ASSOCIATION
201.	SUPREME COURT SHORTHAND KNOWING ASSOCIATION
202.	SUPREME COURT JUDGES LIBRARY STAFF, SUPREME COURT
203.	TECHNICAL STAFF (PRINTING) ASSOCIATION OF MINISTRY OF LAW MINISTRY OF MINES
204.	ASSOCIATION OF GEOPHYSISTS GEOLOGICAL SURVEY OF INDIA
205.	GEOLOGICAL SURVEY OF INDIA EMPLOYEES ASSOCIATION
206.	GEOLOGICAL SURVEY OF INDIA STAFF UNION
207.	GEOLOGICAL SURVEY OF INDIA ADMN. & MANAGEMENT OFFICERS ASSOCIATION
208.	GEOLOGICAL SURVEY OF INDIA SCIENTIFIC OFFICERS ASSOCIATION
209.	GEOLOGICAL SURVEY INDIA DRILLING OFFICERS ASSOCIATION
210.	GEOLOGICAL SURVEY INDIA MECHANICAL ENGINEERS ASSOCIATION
211.	GEOLOGICAL SURVEY OF INDIA CLASS IV KARAMCHARI UNION
212.	GEOLOGICAL SURVEY OF INDIA EMPLOYEES FEDERATION
213.	GEOLOGICAL SURVEY OF INDIA EMPLOYEES ASSOCIATION, NAGPUR.
214.	GEOLOGICAL SURVEY OF INDIA EMPLOYEES ASSOCIATION, CALCUTTA.
	MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
215.	CSS GROUP 'A' OFFICERS ASSOCIATION
216.	CONFEDERATION OF ALL INDIA CENTRAL GOVERNMENT STENOGRAPHERS' ASSOCIATION
217.	CENTRAL GOVERNMENT EMPLOYEES WELFARE COORDINATION COMMITTEE, MUMBAI
218.	CENTRAL GOVERNMENT EMPLOYEES COORDINATION COMMITTEE
219.	CENTRAL GOVERNMENT CLERK'S UNION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
220.	CENTRAL GOVERNMENT CLASS IV EMPLOYEES ASSOCIATION
221.	CENTRAL GOVERNMENT STAFF CAR DRIVERS ASSOCIATION
222.	CENTRAL GOVERNMENT DESPATCH RIDERS ASSOCIATION
223.	CSS SECTION OFFICER'S ASSOCIATION
224.	CENTRAL SECRETARIAT SERVICE ASSISTANT D.R. ASSOCIATION
225.	CONFEDERATION OF CENTRAL GOVERNMENT EMPLOYEES AND WORKERS
226.	CENTRAL SECRETARIAT STENOGRAPHERS SERVICE GAZETTED OFFICERS ASSOCIATION
227.	CENTRAL SECRETARIAT STENOGRAPHER SERVICE ASSOCIATION
228.	CENTRAL SECRETARIAT SERVICE(D.R. GAZETTED SECTION OFFICERS ASSOCIATION
229.	CSSS GAZETTED OFFICERS' ASSOCIATION
230.	CENTRAL SECRETARIAT ASSISTANTS ASSOCIATION
231.	GOVERNMENT EMPLOYEES NATIONAL CONFEDERATION
232.	KENDRIYA KARAMCHARI SANGH
233.	NATIONAL COUNCIL (STAFF SIDE) JCM FOR GOVT. EMPLOYEES
MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION	
234.	ALL INDIA ASSOCIATION OF ASSISTANT SUPERINTENDENTS (UL
235.	ALL INDIA ASSOCIATION OF INVESTIGATORS(NSSO)
236.	ALL INDIA OFFICERS ASSOCIATION, NATIONAL SAMPLE SURVEY ORGANISATION
237.	ALL INDIA FEDERATION OF STATISTICAL INVESTIGATORS
238.	CENTRAL STATISTICAL ORGANISATION SENIOR INVESTIGATOR ASSOCIATION
239.	INDIAN STATISTICAL SERVICE ASSOCIATION
240.	NATIONAL SAMPLE SURVEY EMPLOYEES ORGANISATION
241.	PLANNING COMMISSION OFFICERS ASSOCIATION
MINISTRY OF POWER	
242.	ASSOCIATION OF TECHNICAL OFFICERS OF CENTRAL ELECTRICITY AUTHORITY
MINISTRY OF RAILWAYS	
243.	ALL INDIA RAILWAYMEN'S FEDERATION
244.	ALL INDIA ENQUIRY-CUM-RESERVATION CLERKS' ASSOCIATION
245.	ALL INDIA TRAIN CONTROLLERS ASSOCIATION
246.	ALL INDIA LOCO RUNNING STAFF ASSOCIATION
247.	AKHIL BHARTIYA RAILWAY MEDICAL KARAMCHARI ASSOCIATION
248.	ALL INDIA RAILWAY EMPLOYEES CONFEDERATION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
249.	ALL INDIA STATION MASTERS' ASSN.
250.	ALL INDIA RAILWAY COMMERCIAL CLERKS' ASSOCIATION
251.	ALL INDIA COMMERCIAL INSPECTOR'S ASSOCIATION
252.	ALL INDIA SWITCHMAN, CABINMAN & LEVERMAN ASSOCIATION
253.	BHARTIA RAILWAY KARAMCHARI UNION(S&T)
254.	BHARATIYA RAILWAY MAZDOOR SANGH
255.	CHITARANJAN LOCOMOTIVE WORKS LABOUR UNION
256.	CENTRAL RAILWAY OFFICERS' ASSOCIATION (GROUP A & B)
257.	CENTRAL RAILWAY PROMOTEE OFFICERS' ASSOCIATION
258.	DIPLOMA ENGINEERS ASSOCIATION
259.	FEDERATION OF RAILWAY OFFICERS ASSN.
260.	INDIAN RAILWAY TICKET CHECKING STAFF ASSOCIATION
261.	INDIAN RAILWAY TECHNICAL SUPERVISORS' ASSOCIATION
262.	INDIAN RAILWAY PHARMACISTS ASSOCIATION
263.	INDIAN RAILWAY ACCOUNTS SERVICE OFFICERS ASSOCIATION
264.	INDIAN RAILWAY PROMOTEE OFFICERS FEDERATION
265.	INDIAN RAILWAY CHEMICAL & METALLURGICAL STAFF ASSOCIATION
266.	INDIAN RAILWAY ELECTRONIC DATA PROCESSING STAFF ASSOCIATION
267.	INDIAN RAILWAY ENGINEER GRADUATES ASSOCIATION
268.	INDIAN RAILWAY PERMANENT WAY INSPECTORS ASSOCIATION
269.	INDIAN RAILWAY TELECOM UNION
270.	INDIAN RAILWAY TRACTION WORKERS ASSOCIATION
271.	INDIAN RAILWAY SIGNAL & TELECOM STAFF ASSOCIATION
272.	NATIONAL FEDERATION OF INDIAN RAILWAYMEN
273.	NATIONAL FEDERATION OF RAILWAYMEN.
274.	RAILWAY MEDICAL OFFICERS ASSOCIATION
275.	RDSO, CLASS-III STAFF ASSOCIATION
276.	RDSO PROMOTEE OFFICERS ASSOCIATION
277.	WESTERN RAILWAY OFFICERS' ASSOCIATION(GROUP A & B)
278.	WESTERN RAILWAY PROMOTEE OFFICERS' ASSOCIATION
MINISTRY OF RURAL AREAS AND EMPLOYMENT	
279.	DIRECTORATE OF MARKETING INSPECTION EMPLOYEES ASSOCIATION
MINISTRY OF SCIENCE AND TECHNOLOGY	
280.	ASSOCIATION OF THE SCIENTIFIC ASSISTANTS
281.	DEPARTMENT OF SCIENCE & TECHNOLOGY SCIENTIFIC OFFICERS FORUM
282.	GAZETTED OFFICERS' ASSOCIATION OF NATIONAL ATLAS AND THEMATIC MAPPING ORGANISATION
283.	INDIA METEOROLOGICAL DEPARTMENT GAZETTED OFFICERS ASSOCIATION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
284.	INDIA METEOROLOGICAL DEPARTMENT NON-GAZETTED STAFF UNION
285.	INDIA METEOROLOGICAL WORKSHOP UNION
286.	SURVEY OF INDIA CLASS IV KARAMCHARI
MINISTRY OF SURFACE TRANSPORT	
287.	CENTRAL ENGINEERING SERVICE(ROADS) GROUP 'A' ASSOCIATION
288.	DEPTT.OF LIGHT HOUSES & LIGHTSHIPS STAFF ASSOCIATION
289.	DIRECTORATE OF MARINE ENGINEERING GROUP'A' OFFICERS ASSOCIATION
290.	GOVT. OF INDIA MARINE SURVEYORS ASSOCIATION.
291.	LAKSHADWEEP HARBOUR EMPLOYEES UNION
292.	PROJECT COMPUTERS (TECHNICAL SUBORDINATE)ASSN
MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT	
293.	ALL INDIA CPWD EMPLOYEES UNION
294.	CENTRAL GOVERNMENT ENGINEERING DRAWING STAFF CONFEDERATION
295.	CPWD WORKERS' UNION
296.	CPWD MAZDOOR UNION
297.	CPWD NON-GAZETTED STAFF ASSOCIATION
298.	CPWD ARCHITECT ASSTT./ASSTT(AD)ASSN.
299.	CPWD ARCHITECTS ASSOCIATION
300.	CPWD, JUNIOR ENGINEERS' ASSOCIATION
301.	CPWD JUNIOR ENGINEERS ASSN(INDIA)
302.	CENTRAL ENGINEERING SERVICES(DR) OFFICERS ASSOCIATION
303.	CPWD ENGINEERS' ASSOCIATION
304.	DRAWING STAFF ASSOCIATION
305.	DIRECT RECRUIT HORTICULTURE OFFICERS ASSOCIATION UNDER CPWD
306.	ENGINEERING DRAWING STAFF ASSN.
307.	HORTICULTURE SECTIONAL OFFICERS ASSOCIATION
308.	NATIONAL FEDERATION OF GOVERNMENT OF INDIA PRESS WORKERS
309.	NATIONAL FEDERATION OF PRINTING STATIONERY & PUBLICATION EMPLOYEES
310.	TOWN & COUNTRY PLANNERS ASSOCIATION
MINISTRY OF WATER RESOURCES	
311.	ASSOCIATION OF JUNIOR ENGINEERS OF CENTRAL WATER COMMISSION
312.	ALL INDIA CENTRAL GROUND WATER BOARD OFFICERS ASSOCIATION
313.	ALL INDIA FEDERATION OF ENGINEERS
314.	ALL INDIA CENTRAL GROUND WATER EMPLOYEES ASSOCIATION
315.	CENTRAL WATER & POWER ENGINEERING SERVICES GROUP 'A' ASSN
316.	CENTRAL WATER & POWER COMMISSION ENGINEERS(CLASS-II)

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
	ASSOCIATION
317.	CENTRAL SOIL AND MATERIAL RESEARCH STATION ENGINEERING OFFICERS(GROUP A) ASSOCIATION
318.	CENTRAL WATER COMMISSION'S GRADUATE ENGINEERS' ASSOCIATION.
319.	CENTRAL WATER & POWER RESEARCH STATION OFFICERS ASSOCIATION
320.	CENTRAL WATER & POWER RESEARCH STATION KAMGAR SABHA
321.	STATISTICAL & SCIENTIFIC EMPLOYEES ASSOCIATION, CWC
322.	SCIENTIFIC ASSOCIATION OF CENTRAL WATER COMMISSION
	DEPARTMENT OF ATOMIC ENERGY
323.	ATOMIC ENERGY EMPLOYEES ASSOCIATION
324.	ATOMIC ENERGY WORKERS & STAFF UNION
325.	ATOMIC ENERGY WORKERS AND STAFF UNION, MUMBAI
326.	BHABHA ATOMIC RESEARCH CENTRE EMPLOYEES ASSOCIATION
327.	BHABHA ATOMIC RESEARCH CENTRE OFFICERS ASSOCIATION
328.	DEPARTMENT OF ATOMIC ENERGY C&D GROUP ASSOCIATION
329.	DEPARTMENT OF ATOMIC ENERGY OF SECRETARIAT EMPLOYEES ASSOCIATION
330.	DPS EMPLOYEES STAFF ASSOCIATION
331.	HEAVY WATER EMPLOYEES UNION
332.	HEAVY WATER PROJECTS(BOMBAY) EMPLOYEES ASSOCIATION
	DEPARTMENT OF SPACE
333.	INDIAN SPACE SCIENTIFIC OFFICERS ASSOCIATION
334.	INDIAN SPACE RESEARCH ORGANISATION STAFF ASSOCIATION
335.	INDIAN SPACE RESEARCH ORGANISATION DRIVER'S ASSOCIATION
336.	ISRO-SAC KARAMCHARI MAHAMANDAL
337.	INDIAN SPACE RESEARCH ORGANISATION STAFF ASSOCIATION
338.	ISAC STAFF ASSOCIATION
339.	ISTRAC EMPLOYEES ASSOCIATION
340.	LIQUID PROPELLANT SPACE CENTRE STAFF ASSOCIATION
341.	LIQUID PROPELLANT SPACE CENTRE EMPLOYEES UNION
342.	SPACE ENGINEERS ASSOCIATION, KERALA
343.	SHAR EMPLOYEES ASSOCIATION
344.	SHAR EMPLOYEES TRADE UNION
345.	SHAR EMPLOYEES UNION
346.	SPACE EMPLOYEES ASSOCIATION
347.	VIKRAM SARABHAI SPACE CENTRE EMPLOYEES UNION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
	ESTABLISHMENT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA
348.	ALL INDIA CIVIL ACCOUNTS EMPLOYEES ASSOCIATION
349.	ALL INDIA AUDIT & ACCOUNTS ASSOCIATION.
350.	ALL INDIA FEDERATION OF DIVISIONAL ACCOUNTANT'S ASSOCIATION
351.	ALL INDIA CIVIL ACCOUNTS EMPLOYEES FEDERATION
352.	ALL INDIA ASSOCIATION OF ACCOUNTS & AUDIT OFFICERS OF IA&AD
353.	INDIAN CIVIL ACCOUNTS SERVICE ASSOCIATION
354.	INDIAN AUDIT AND ACCOUNTS SERVICE ASSOCIATION
355.	JOINT ACTION COMMITTEE OF ACCOUNTS & AUDIT EMPLOYEES ORGANISATIONS
	ALL INDIA SERVICES ASSOCIATIONS
356.	INDIAN CIVIL AND ADMINISTRATIVE SERVICE ASSOCIATION
357.	INDIAN POLICE SERVICE (CENTRAL) ASSOCIATION
358.	INDIAN FOREST SERVICE ASSOCIATION (CENTRAL UNIT)
359.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, ASSAM UNIT
360.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, ASSAM UNIT
361.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, ASSAM UNIT
362.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, HIMACHAL PRADESH UNIT
363.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, HIMACHAL PRADESH UNIT
364.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, HIMACHAL PRADESH UNIT
365.	IAS ASSOCIATION, KERALA
366.	IPS ASSOCIATION, KERALA
367.	IFS ASSOCIATION, KERALA
368.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, MAHARASTRA UNIT
369.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, MAHARASTRA UNIT
370.	INDIAN FOREST SERVICE ASSOCIATION, MAHARASTRA UNIT
371.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, MANIPUR UNIT
372.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, MANIPUR UNIT
373.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, MANIPUR UNIT
374.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, MEGHALAYA UNIT
375.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, MEGHALAYA UNIT
376.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, MEGHALAYA UNIT
377.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, MIZORAM UNIT

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
378.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, MIZORAM UNIT
379.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, MIZORAM UNIT
380.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, NAGALAND UNIT
381.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, NAGALAND UNIT
382.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, NAGALAND UNIT
383.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, SIKKIM UNIT
384.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, SIKKIM UNIT
385.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, SIKKIM UNIT
386.	INDIAN ADMINISTRATIVE SERVICE OFFICERS' ASSOCIATION, TRIPURA UNIT
387.	INDIAN POLICE SERVICE OFFICERS' ASSOCIATION, TRIPURA UNIT
388.	INDIAN FOREST SERVICE OFFICERS' ASSOCIATION, TRIPURA UNIT
NCT DELHI	
389.	ASSOCIATIONS OF SCHOOLS OF SOCIAL WORK IN INDIA
390.	DELHI VETERINARY ASSOCIATION
391.	DELHI SCHOOL LIBRARY ASSOCIATION
392.	DELHI ADMINISTRATION SUBORDINATE GRADE II, WELFARE ASSOCIATION
393.	DELHI GOVERNMENT PLANNING AND STAT CADRE, OFFICERS' WELFARE ASSOCIATION
394.	DELHI PROSECUTORS WELFARE ASSN
395.	DELHI ADMINISTRATION FOOD INSPECTORS WELFARE ASSOCIATION(PFA)
396.	DELHI ADMINISTRATION EMPLOYEES FEDERATION
397.	DELHI AND ANDAMAN & NICOBAR ISLANDS POLICE SERVICE DIRECT RECRUIT ASSOCIATION
398.	DELHI ANDAMAN AND NICOBAR ISLAND CIVIL SERVICE OFFICERS ASSOCIATION
399.	FEDERATION OF EDUCATIONAL ASSN(S) OF DELHI
400.	GRADE I OFFICERS ASSOCIATION OF NCT DELHI
401.	SOCIAL WORKER'S WELFARE ASSOCIATION
UNION TERRITORY - LAKSHADWEEP	
402.	LAKSHADWEEP GOVT. EMPLOYEES UNION
403.	LAKSHADWEEP EMPLOYEES PARISHAD
404.	LAKSHADWEEP VETERINARY SERVICE ASSOCIATION
405.	LAKSHADWEEP PARA-VETERINARY ASSOCIATION
406.	LAKSHADWEEP GOVERNMENT COLLEGE TEACHERS ASSOCIATION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
UNION TERRITORY - PONDICHERRY	
407.	ASSOCIATION OF PONDICHERRY GOVT. AGRICULTURAL TECHNOLOGIST
408.	ASSOCIATIONS REPRESENTING OFFICERS AND EMPLOYEES OF JIPMER
409.	CENTRAL GOVT. EMPLOYEES WELFARE COORDINATION COMMITTEE, PONDICHERRY
410.	CONFEDERATION OF HEALTH EMPLOYEES ASSOCIATION
411.	COMPOST DEVELOPMENT INSPECTORS ASSOCIATION
412.	CONFEDERATION OF PONDICHERRY STATE GOVT. EMPLOYEES ASSOCIATION
413.	DEGREE, DIPLOMA ENGINEERS INSTRUCTIONAL STAFF ORGANISATION
414.	EDUCATION LABORATORY ATTENDERS ASSOCIATION - PONDICHERRY
415.	FEDERATION OF HEALTH EMPLOYEES ASSOCIATION
416.	GEOLOGICAL ASSISTANTS ASSOCIATION STATE GROUND WATER UNIT
417.	GOVERNMENT PRESS TECHNICAL EMPLOYEES UNION
418.	GOVERNMENT PRESS DIPLOMA HOLDERS ASSOCIATION STATIONERY AND PRINTING, PONDICHERRY
419.	GOVERNMENT TECHNICAL CERTIFICATE HOLDERS ASSOCIATION (PWD)
420.	HEADMASTER GR.II/SCHOOL ASSISTANT GR.I/DY. INSPECTOR OF SCHOOLS ASSOCIATION
421.	ISOLATED CATEGORIES EMPLOYEES ASSOCIATION, BHARATHIPURAM
422.	JUDICIAL EMPLOYEES WELFARE ASSOCIATION
423.	MOTILAL NEHRU GOVERNMENT POLYTECHNIC TECHNICAL STAFF ASSOCIATION
424.	MNGP TEACHERS ASSOCIATION
425.	PONDICHERRY MINISTERIAL ASSOCIATION
426.	PONDICHERRY STATE COMMERCIAL TAX OFFICERS ASSOCIATION
427.	PONDICHERRY STATE FISHERIES DEPARTMENT TECHNICAL OFFICERS ASSOCIATION
428.	PONDICHERRY ACCOUNTS OFFICERS ASSOCIATION
429.	PONDICHERRY STATE COOPERATIVE DEPARTMENT OFFICERS ASSOCIATION
430.	PONDICHERRY POWER ENGINEERS SERVICE ASSOCIATION
431.	PORT ENGINEERS ASSOCIATION OF PONDICHERRY
432.	PONDICHERRY STATE GOVERNMENT EMPLOYEES CENTRAL FEDERATION
433.	PONDICHERRY STATE P.W.D. SUPERVISORY STAFF ASSOCIATION
434.	P.W.D. TECHNICAL STAFF ASSOCIATION
435.	PONDICHERRY STATE P.W.D. OVERSEERS ASSOCIATION
436.	PONDICHERRY STATE PWD DRAUGHTSMEN ASSOCIATION
437.	PONDICHERRY STATE METER READERS (PWD) ASSOCIATION
438.	PONDICHERRY STATE PWD WORK INSPECTOR ASSOCIATION
439.	PONDICHERRY STATE DIPLOMA ENGINEERS

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
440.	PONDICHERFRY STATE SENIOR MEDICAL OFFICERS ASSOCIATION
441.	PONDICHERRY STATE ASSISTANT SURGEIONS ASSOCIATION
442.	PONDICHERRY STATE HOSPITAL EQUIPMENTS WORKSHOP EMPLOYEES UNION
443.	PONDICHERRY STATE DIETICIAN ASSOCIATION
444.	PONDICHERRY STATE OPHTHALMIC TECHNICIANS ASSOCIATION
445.	PONDICHERRY STATE HEALTH OPERATION THEATRE TECHNICAL STAFF ASSOCIATION
446.	PONDICHERRY LEPROSY TECHNICAL STAFF ASSOCIATION
447.	PONDICHERRY TRAINED HEALTH INSPECTORS ASSOCIATION
448.	PONDICHERRY STATE PHARMACISTS ASSOCIATION
449.	PONDICHERRY STATE LAND SURVEYORS ASSOCIATION
450.	PONDICHERRY SURVEY COMPUTER DRAUGHTSMAN ASSOCIATION
451.	PONDICHERRY GOVERNMENT FIELD ASSISTANT ASSOCIATION
452.	PUDUVAI MINSARA THOZHILALAR SANGAM
453.	PONDICHERRY ELECTRICITY EMPLOYEES FEDERATION
454.	PONDICHERRY STATE RADIOLOGICAL STAFF ASSOCIATION
455.	PONDICHERRY STATE PRIMARY SCHOOL HEADMASTERS ASSOCIATION
456.	PONDICHERRY POSTGRADUATE TEACHERS WELFARE ASSOCIATION
457.	PONDICHERRY GOVERNMENT PRE-PRIMARY SCHOOLS STAFF ASSOCIATION
458.	PONDICHERRY STATE HIGHER SECONDARY SCHOOL INSTRUCTORS ASSOCIATION
459.	PONDICHERRY TECHNICAL HIGHER SEC. SCHOOL TECHNICAL STAFF ASSN.
460.	PONDICHERRY STATE TECHNICAL TEACHERS ASSOCIATION PONDICHERRY
461.	PHYSICAL DIRECTORS AND DIRECTRESS ASSOCIATION
462.	PHYSICAL EDUCATION TEACHERS ASSOCIATION PONDICHERRY
463.	PONDICHERRY GOVT. STUDENTS HOSTEL EMPLOYEES ASSOCIATION
464.	PONDICHERRY GOVT. AGRICULTURAL DEPARTMENT EMPLOYEES UNION
465.	PONDICHERRY STATE INSECT COLLECTORS ASSOCIATION
466.	PONDICHERRY GOVT. AGRICULTURE LABORATORY TECHNICAL STAFF ASSOCIATION
467.	PONDICHERRY AGRICULTURAL TECHNICAL EMPLOYEES ASSOCIATION
468.	PONDICHERRY STATE TAHSILDARS AND DY. TAHSILDARS ASSOCIATION
469.	PONDICHERRY STATE PHYSICALLY HANDICAPPED GOVT. SERVANTS ASSOCIATION
470.	PONDICHERRY GOVT. BALASEVIKAS AND CONDUCTRESS ASSOCIATION
471.	PONDICHERRY STATE SOCIAL WELFARE ORGANISERS ASSOCIATION
472.	PONDICHERRY STATE GRAMASEVAKS AND GRAMSEVIKAS ASSOCIATION
473.	PONDICHERRY STATE STATISTICAL FIELD SUPERVISORS ASSOCIATION
474.	PONDICHERRY STATE ISOLATED CATEGORY EMPLOYEES ASSOCIATION

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
475.	PONDICHERRY GOVERNMENT DRIVERS ASSOCIATION
476.	PONDICHERRY STATE FIRE SERVICES STAFF ASSOCIATION
477.	PUDUVAI ARASU WATCHMAN
478.	PONDICHERRY STATE JAIL WARDERS ASSOCIATION
479.	PONDICHERRY STATE SUPERINTENDENTS ASSOCIATION
480.	PUDUVAI MANIL PENSIONTHAR SANGAM
481.	PONDICHERRY STATE INDUSTRIES DEPTT TECHNICAL STAFF ASSOCIATION
482.	PONDICHERRY GOVERNMENT PROJECTOR OPERATORS ASSOCIATION
483.	PLANNING & RESEARCH DEPARTMENT GAZETTED OFFICERS UNIT
484.	PONDICHERRY CIVIL SERVICES OFFICERS ASSOCIATION
485.	RETIRED POLICE OFFICERS ASSOCIATION - PONDICHERRY
486.	RADIO SUPERVISORS AND RADIO TECHNICIAN POLICE RADIO BRANCH
487.	STOREKEEPING STAFF ASSOCIATION
488.	SENIOR LABORATORY TECHNICAL STAFF ASSOCIATION
489.	THE ASSOCIATION OF COMMISSIONERS OF COMMUNE PANCHAYATS
490.	TECHNICAL OFFICERS ASSOCIATION OF GOVT. AUTOMOBILE WORKSHOP AND TRANSPORT DEPARTMENT - PONDICHERRY
491.	THE STAFF ASSOCIATION OF THE TOWN & COUNTRY PLANNING DEPARTMENT AND PLANNING AUTHORITIES - PONDICHERRY
492.	TEACHERS ASSOCIATION - PONDICHERRY
493.	THE ASSOCIATION OF THE EXECUTIVE STAFF
494.	THE PONDICHERRY GOVERNMENT INFORMATION TECHNOLOGY PROFESSIONALS ASSOCIATION
495.	WIRELESS OPERATORS, POLICE RADIO BRANCH - PONDICHERRY
	PENSIONERS
496.	ALL INDIA EX-SERVICEMEN WELFARE ASSOCIATION
497.	ALL INDIA CENTRAL GOVERNMENT PENSIONERS' ASSOCIATION
498.	ALL INDIA RETIRED RAILWAYMEN FEDERATION
499.	ALL INDIA ORGANISATION OF PENSIONERS
500.	ALL INDIA CENTRAL COMMITTEE OF PENSIONERS' ASSOCIATION
501.	ALL INDIA RETIRED RAILWAYMEN ASSN.
502.	ALL ASSAM CENTRAL GOVERNMENT CIVILIAN EMPLOYEES PENSIONERS' ASSOCIATION, ASSAM
503.	BHARAT PENSIONERS' SAMAJ
504.	CENTRAL & ALL INDIA SERVICES PENSIONERS' ASSOCIATION
505.	CENTRAL GOVERNMENT PENSIONERS' ASSOCIATION, SHIMLA
506.	DISABLED WAR VETERANS(INDIA)
507.	DEFENCE SERVICES OFFICERS PENSIONERS' FORUM
508.	EX-SERVICEMEN MAHA PANCHAYAT
509.	FEDERATION OF CENTRAL GOVERNMENT PENSIONERS' ORGANISATIONS

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
510	INDIAN EX-SERVICES LEAGUE
511	INDIAN RAILWAYS EX-SERVICEMENS' WELFARE ASSOCIATION
512	KARNATAKA CENTRAL GOVERNMENT PENSIONERS ASSOCIATION
513	MEGHALAYA PENSIONERS' ASSOCIATION
514	NATIONAL EX-SERVICEMEN COORDINATION COMMITTEE
515	P&T AND OTHER CENTRAL GOVERNMENT PENSIONER'S ASSOCIATION
516	PENSIONERS AND PENSIONERS ASSOCIATION
517	PENSIONER'S ORGANISATION OF INDIA
518	TRANS YAMUNA PENSIONERS' ASSOCIATION
OTHERS	
519.	ALL INDIA FEDERATION OF DIPLOMA ENGINEERS, DELHI
520.	ACCOUNTANT AND CENTRAL GOVERNMENT OFFICERS' ASSOCIATION, MANIPUR
521	ALL INDIA RMS UNION (ASSAM CIRCLE BRANCH)
522.	ALL INDIAN ASSOCIATION OF IPOs/ASPOs (ASSAM CIRCLE BRANCH)
523.	ALL INDIA POSTAL EMPLOYEES UNIT, ASSAM
524.	ALL INDIAN ADMINISTRATIVE EMPLOYEES UNION, ASSAM
525	ALL INDIA ASSOCIATION OF IRM/ASRMS (ASSAM CIRCLE)
526.	COORDINATION COMMITTEE OF CENTRAL GOVERNMENT EMPLOYEES, SIKKIM
527.	CENTRAL GOVERNMENT EMPLOYEES WELFARE COORDINATION COMMITTEE, NAGALAND
528.	CENTRAL GOVERNMENT NON-GAZETTED EMPLOYEES ASSOCIATION, MANIPUR
529	CENTRAL GOVERNMENT EMPLOYEES WELFARE COORDINATION COMMITTEE, MIZORAM
530.	CIVIL AUDIT ASSOCIATION, MEGHALAYA
531.	CLASS III SERVICE ASSOCIATION, SURVEY OF INDIA, MEGHALAYA
532.	COORDINATION COMMITTEE OF CENTRAL GOVERNMENT EMPLOYEES, MEGHALAYA
533.	CENSUS EMPLOYEES ASSOCIATION, ARUNACHAL PRADESH
534.	COORDINATION COMMITTEE OF CENTRAL GOVERNMENT EMPLOYEES AND WORKERS, ASSAM
535.	COORDINATION COMMITTEE OF P & T EMPLOYEES UNION, N.E. CIRCLE
536.	CENTRAL SERVICES ASSOCIATION, HIMACHAL PRADESH
537.	COORDINATION COMMITTEE OF CENTRAL GOVERNMENT EMPLOYEES AND WORKERS, SHIMLA
538	ENGINEERING SUBORDINATES ASSOCIATION
539	GROUP A & B CENTRAL GOVERNMENT EMPLOYEES ASSOCIATION, TRIPURA
540	GROUP C & D CENTRAL GOVERNMENT EMPLOYEES ASSOCIATION,

S.NO.	NAME OF THE FEDERATION/UNION/ASSOCIATION
	TRIPURA
541.	KARAMCHARI CLASS IV UNION, SURVEY OF INDIA. MEGHALAYA
542.	MINISTERIAL STAFF ASSOCIATION, SURVEY OF INDIA. MEGHALAYA
543.	METEOROLOGICAL DEPTT. STAFF UNION, GUWAHATI BRANCH
544.	NATIONAL FEDERATION OF THE BLIND, NEW DELHI
545.	NORTH EASTERN COUNCIL SECTT. EMPLOYEES ASSOCIATION. SHILLONG
546.	N.E. RAILWAY EMPLOYEES ASSOCIATION, ASSAM
547.	N.E. RAILWAY PROMOTEE OFFICERS' ASSOCIATION. ASSAM
548.	N.E. RAILWAY OFFICERS' ASSOCIATION (CLASS I). ASSAM
549.	PROGRAMME ASSOCIATION OF AIR AND DDK. MEGHALAYA
550.	REGIONAL COORDINATION COMMITTEE OF P & T UNIT. ASSAM
551.	SURVEYORS' ASSOCIATION, MEGHALAYA
552.	TECHNICAL STAFF ASSOCIATION BUREAU. SHIMLA



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**LIST OF SENIOR JUDICIAL AND GOVERNMENT FUNCTIONARIES
WHO PARTICIPATED IN DISCUSSION WITH THE PAY COMMISSION**

SL. NO NAME AND DESIGNATION

JUDICIAL FUNCTIONARIES

- 1 JUSTICE A M AHMADI, CHIEF JUSTICE, SUPREME COURT OF INDIA
- 2 JUSTICE M J RAO, CHIEF JUSTICE, DELHI HIGH COURT

COMPTROLLERS AND AUDITORS GENERAL OF INDIA

- 3 SHRI C G SOMAIAH, COMPTROLLER AND AUDITOR GENERAL OF INDIA

DEFENCE FORCES

- 4 GENERAL S. ROY CHOWDHURY, CHIEF OF ARMY STAFF.
- 5 AIR CHIEF MARSHAL S K SAREEN, CHIEF OF AIR STAFF.
- 6 ADMIRAL V.S. SHEKHAWAT, CHIEF OF NAVAL STAFF.
7. LT GEN J M GARGA, DIRECTOR GENERAL OF QUALITY ASSURANCE
- 8 AIR CHIEF MARSHAL N C. SURI(RETD)
- 9 ADMIRAL R.H. TAHILIANI(RETD), P V S.M
- 10 BRIG S.P. SIBAL(RETD)

**SECRETARIES/SPECIAL SECRETARIES/ADDITIONAL SECRETARIES TO
GOVERNMENT OF INDIA**

- 11 SHRI P. ABRAHAM, SECRETARY, MINISTRY OF POWER
- 12 SHRI M S AHLUWALIA, FINANCE SECRETARY, MINISTRY OF FINANCE

SL. NO	NAME AND DESIGNATION
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| 13 | SHRI G. BALAKRISHNAN, SECRETARY, DEPARTMENT OF AGRICULTURE AND COOPERATION |
| 14 | SHRI Y. N. CHATURVEDI, SECRETARY (I.S.M. & H.), MINISTRY OF HEALTH & FAMILY WELFARE |
| 15 | SHRI P. P. CHAUHAN, SECRETARY, DEPTT. OF HEALTH |
| 16 | DR. R. CHIDAMBARAM, CHAIRMAN, ATOMIC ENERGY COMMISSION |
| 17 | SHRI P. R. DASGUPTA, SECRETARY, DEPTT. OF EDUCATION |
| 18 | SHRI S. GOPALAN, SECRETARY, MINISTRY OF INFORMATION & BROADCASTING |
| 19 | MRS SARLA GOPALAN, SECRETARY, DEPTT. OF WOMEN & CHILD DEVELOPMENT |
| 20 | SHRI SALMAN HAIDAR, FOREIGN SECRETARY, MINISTRY OF EXTERNAL AFFAIRS |
| 21 | SHRI P. C. HOTA, SECRETARY, DEPTT. OF ADMINISTRATIVE REFORMS & PUBLIC GRIEVANCES |
| 22 | DR. A. P. J. ABDUL KALAM, SCIENTIFIC ADVISER TO RAKSHA MANTRI
MINISTRY OF DEFENCE |
| 23 | SHRI V. K. KAPOOR, SECRETARY, DEPTT. OF DEFENCE PRODUCTION & SUPPLY |
| 24 | DR. K. KASTURIRANGAN, CHAIRMAN, SPACE COMMISSION |
| 25 | SHRI G. K. KHARE, CHAIRMAN, RAILWAY BOARD |
| 26 | DR. L. MISRA, SECRETARY (LABOUR) AND DG E&T, MIN. OF LABOUR |
| 27 | SHRI M. P. MODI, CHAIRMAN (TELECOM COMMISSION) & SECRETARY, DEPTT. OF TELECOMMUNICATION |
| 28 | SHRI K. PADMANABHAIAH, SECRETARY (HOME), MINISTRY OF HOME AFFAIRS |

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| 29. | SHRI V K. PANDIT, SPECIAL SECRETARY, PLANNING COMMISSION |
| 30. | SHRI R.U.S. PRASAD, SECRETARY, DEPTT OF POSTS |
| 31. | SHRI K. RAJAN, SECRETARY, ANIMAL HUSBANDARY AND DAIRYING |
| 32. | SHRI C. RAMACHANDRAN, SECRETARY, DEPTT. OF URBAN DEVELOPMENT |
| 33. | PROF. V.S. RAMAMURTHY, SECRETARY, DEPTT. OF SCIENCE & TECHNOLOGY |
| 34. | DR. M.S. REDDY, SECRETARY, MINISTRY OF WATER RESOURCES |
| 35. | SHRI S. SATYAM, SECRETARY, DEPTT OF STATISTICS |
| 36. | SHRI A. C. SEN, SECRETARY, MINISTRY OF MINES |
| 37. | SHRI B.P. SINGH, SECRETARY, DEPTT. OF CULTURE |
| 38. | SHRI CHET SINGH, FINANCIAL ADVISER, MINISTRY OF DEFENCE |
| 39. | SHRI N.K. SINGH, SECRETARY (REVENUE), MINISTRY OF FINANCE |
| 40. | SHRI V. SIVAKUMARAN, FINANCIAL COMMISSIONER, MINISTRY OF RAILWAYS (RAILWAY BOARD) |
| 41. | SHRI M.R. SIVARAMAN, SECRETARY, DEPTT. OF REVENUE |
| 42. | SHRI S. SUNDER, SECRETARY, MINISTRY OF SURFACE TRANSPORT |
| 43. | DR. DINESH CHANDRA, ADDL. SECRETARY, DEPTT. OF PENSIONS & PENSIONERS' WELFARE |

HEADS OF DEPARTMENTS

- | | |
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| 44. | DR. S.K. ACHARYA, DIRECTOR GENERAL, GEOLOGICAL SURVEY OF INDIA |
| 45. | SHRI CHANDRESH BHUSHAN, REGISTRAR GENERAL, SUPREME COURT OF INDIA |
| 46. | SHRI R. GANESAN, CHIEF POSTMASTER GENERAL, MUMBAI |

SL NO	NAME AND DESIGNATION
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| 47. | SHRI S. GHOSH, REGISTRAR, SUPREME COURT OF INDIA |
| 48. | SHRI RAVI KATHPALIA, CONTROLLER GENERAL OF ACCOUNTS |
| 49. | SHRI K. K. MADAN, DIRECTOR GENERAL, C.P.W.D |
| 50. | DR. A. K. MUKHERJEE, DIRECTOR GENERAL, HEALTH SERVICES |
| 51. | SHRI S.S. NATARAJAN, DGOF & CHAIRMAN, ORDNANCE FACTORY BOARD |
| 52. | SHRI A.N. PRASAD, DIRECTOR, BHABHA ATOMIC RESEARCH CENTRE |
| 53. | SHRI KALYAN RUDRA, DIRECTOR GENERAL, RAILWAY PROTECTION FORCE |
| 54. | SHRI RAMESH SHARMA, REGISTRAR, DELHI HIGH COURT |
| 55. | COMMODOR SRINIVASAN, CHIEF HYDROGRAPHER, NAVAL HYDRAGRAPHIC OFFICE, DEHRADUN |
| 56. | SHRI K.S. VENKATARAMANI, MEMBER(T), CENTRAL EXCISE GOLD APPELLATE TRIBUNAL |

CENTRAL POLICE ORGANISATIONS

- | | |
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| 57. | SHRI D.K. ARYA, DIRECTOR GENERAL, BORDER SECURITY FORCE |
| 58. | SHRI K. DEKA, DIRECTOR, DIRECTORATE OF COORDINATION (POLICE WIRELESS) |
| 59. | SHRI D.C. PATHAK, DIRECTOR, INTELLIGENCE BUREAU |
| 60. | SHRI K. VIJAYA RAMA RAO, DIRECTOR, CENTRAL BUREAU OF INVESTIGATION |
| 61. | LT. GEN. T.P.S. RAWAT, DIRECTOR GENERAL, ASSAM RIFLES |
| 62. | SHRI JOGINDER SINGH, DIRECTOR GENERAL, INDO-TIBETAN BORDER POLICE |
| 63. | SHRI N.K. SINGH, DIRECTOR GENERAL, BUREAU OF POLICE RESEARCH |

SL. NO	NAME AND DESIGNATION
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AND DEVELOPMENT

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| 64. | SHRI A.K. TONDON, DIRECTOR GENERAL, CENTRAL INDUSTRIAL SECURITY FORCE AND NATIONAL SECURITY GUARDS |
| 65. | SHRI S.C. TRIPATHY, DIRECTOR GENERAL, CIVIL DEFENCE, MINISTRY OF HOME AFFAIRS |
| 66. | SHRI S.V.M. TRIPATHY, DIRECTOR GENERAL, CENTRAL RESERVE POLICE FORCE |

CHIEF SECRETARIES/ADMINISTRATOR OF STATES AND UNION TERRITORIES

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| 67. | SHRI S.R. ARYA, CHIEF SECRETARY, GOVERNMENT OF PONDICHERRY |
| 68. | SHRI A. BHATACHARJEE, CHIEF SECRETARY, GOVERNMENT OF ASSAM |
| 69. | SHRI G.S. CHEEMA, ADMINISTRATOR, LAKSHADWEEP |
| 70. | SHRI M. DAMODARAN, CHIEF SECRETARY, GOVERNMENT OF TRIPURA |
| 71. | SHRI N. HARIBHASKAR, CHIEF SECRETARY, GOVERNMENT OF TAMILNADU |
| 72. | SHRI T.C.K. LOTHIA, CHIEF SECRETARY, GOVERNMENT OF NAGALAND |
| 73. | SHRI R. RAMACHANDRAN NAIR, CHIEF SECRETARY, GOVERNMENT OF KERALA |
| 74. | SHRI K.K. SINHA, CHIEF SECRETARY, GOVERNMENT OF MEGHALAYA |
| 75. | SHRI K.K. SETHI, CHIEF SECRETARY, GOVERNMENT OF MANIPUR |
| 76. | SHRI S.P. UPASANI, CHIEF SECRETARY, GOVERNMENT OF MAHARASHTRA |
| 77. | SHRI K.A. VARADAN, CHIEF SECRETARY, GOVERNMENT OF SIKKIM |

PROMINENT PERSONS WITH WHOM THE COMMISSION INTERACTED

GOVERNORS.

- 1 Dr.P.C.Alexander Governor of Maharashtra
- 2 Shri Romesh Bhandari, Governor of Tripura
- 3 Shri P. Shiv Shankar, Governor of Kerala
- 4 Shri P.R. Kyndiah, Governor of Mizoram.

CHIEF MINISTERS/DEPUTY CHIEF MINISTER/MINISTERS/MP

- 5 Shri A.K. Antony, Chief Minister, Kerala
- 6 Shri P.K. Chamling, Chief Minister, Sikkim
- 7 Shri S. C. Jamir, Chief Minister, Nagaland
- 8 Sh.R.V.Janakiraman, Chief Minister, Pondicherry
- 9 Shri Manohar Joshi, Chief Minister, Maharashtra
- 10 Dr. M. Karunanidhi, Chief Minister, Tamil Nadu
- 11 Shri Reishang Kieshing, Chief Minister, Manipur
- 12 Shri Lalthanhawla, Chief Minister, Mizoram
- 13 Shri S.C. Marak, Chief Minister, Meghalaya
- 14 Shri Hiteshwar Saikia, Chief Minister, Assam
- 15 Shri Baidya Nath Majumdar, Deputy Chief Minister, Tripura
- 16 Shri Gopinath Munde, Deputy Chief Minister, Maharashtra
- 17 Shri J. Lalsangzuala, Finance Minister, Mizoram.
- 18 Mrs. Margaret Alva, Member of Parliament.

PROMINENT PERSONS WITH WHOM THE COMMISSION INTERACTED

STATE PAY COMMISSIONS AND OTHER PAY BODIES

19. Justice K.J. Shetty, Chairman, National Judicial Pay Commission
20. Justice S.S. Sandhawalia, Chairman, Punjab Pay Commission
21. Justice G.C. Mittal, Chairman, Haryana Pay Commission
22. Justice Mohan Lal Shrinial, Chairman, Sikkim Pay Commission
23. Justice Charanjit Talwar, Chairman, Committee on Extra Departmental Agents of Department of Posts
24. Prof. R.P. Rastogi, Chairman, U.G.C. Pay Review Committee and other Members of the Committee
25. Shri K. Shudha Rao, Member Secretary, All India Council for Technical Education Pay Committee



ESTABLISHMENTS VISITED BY THE PAY COMMISSION

**CENTRAL POLICE ORGANISATIONS
(PARA MILITARY FORCES)**

ASSAM RIFLES

- 1 Headquarters - Shillong
- 2 Posts at Bomrang, Lanchung and Chateh, Sikkim
- 3 Posts at Chur and Chang Lang Shu, Nagaland
- 4 Posts at Payui and Maokot, Manipur
- 5 Posts at Nogpa, Mizoram

BORDER SECURITY FORCE

- 6 DG Headquarters - New Delhi
- 7 IG Headquarters - Jammu, Kashmir and Punjab
- 8 Subsidiary Training Centre, Punjab
- 9 Frontier Hospital, Pantha Chowk, Kashmir
- 10 Border Out Posts at Sakheval and Jaisalmer, Rajasthan
- 11 Border Out Posts at Biarpet and Rann of Kutch, Gujarat
- 12 Posts at Phesamgang, Behang, Manipur
- 13 Forwarded defended locality at Lichi in J&K
- 14 Border Out Posts at Rajatal in Punjab
- 15 Border Out Posts at Abdulian in J&K
- 16 Unit Tactical Headquarters at Lethpura, J&K
- 17 Joint Check Post, Wagha, Punjab

18. Water Wing, Koteswar, Gujrat

CENTRAL RESERVE POLICE FORCE

19. Headquarters - New Delhi

20. Deployment at Varanasi, Ayodhya and Mathura, UP

21. Deployment at Bharatpur, Rajasthan

22. Post Bokajan, Assam

23. Post Parbong, Manipur

CENTRAL POLICE ORGANISATIONS (NON PARA MILITARY ORGANISATIONS)

24. National Security Guard Training Centre and Garrison at Manesar, Haryana

25. Intelligence Bureau Headquarters, New Delhi

26. National Crime Records Bureau, New Delhi.

27. National Institute of Criminology & Forensic Science, New Delhi.

28. Headquarters of Laboratory of Govt. Examiner of Questioned Documents, Shimla.

DEFENCE ESTABLISHMENTS

29. Headquarters Military Engineering Service, New Delhi.

30. Infantry Division, Poonch and Infantry Division, Jammu & Kashmir.

31. Harbour Area and Naval Installations & Ship, Mumbai

32. DRDO Snow and Avalanche Study Establishment, Manali, Himachal Pradesh.

33. Air Force Fire Power Demonstration, Pokhran

34. Desert Sector in Rajasthan - Army Exercises

35. Hqrs. Western Naval Command, Mumbai

36. Naval Dockyard, Mumbai

37. Naval Armament Depot, Karanja

- 38. INS Ranvijay-Naval Fleet Exercise
- 39. Armoured Vehicle Factory Headquarters, Avadi
- 40. Heavy Vehicle Factory, Avadi
- 41. Engine Factory, Avadi
- 42. Clothing Factory, Avadi
- 43. Dte. General of Border Roads, Kashmir House, New Delhi
- 44. Combat Vehicle Research and Development Establishment, Avadi
- 45. Regional Headquarter of Coast Guard, Chennai

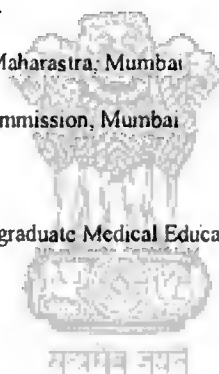
RAILWAY ESTABLISHMENTS

- 46. Track Inspection of Delhi Area, IRCA Building & DRM Office of Railways, New Delhi
- 47. Jammu-Udhampur Rail Project
- 48. Rail Coach Factory, Kapurthala, Punjab
- 49. Integral Coach Factory, Perambur
- 50. Metropolitan Rapid Transport System, Ministry of Railways, Chennai
- 51. Western Zonal Railway Hqrs. & Suburban System, Mumbai
- 52. Central Railway Hqrs., Mumbai
- 53. Passenger Reservation System, Control Office of Delhi Division of Northern Railway, Delhi
- 54. Cardiology Unit, Railway Hospital, Perambur
- 55. Nagore and Nagapattinam Railway Stations, Pondicherry

OTHER ESTABLISHMENTS

- 56. C P W D construction in Vigyan Bhawan, New Delhi
- 57. C.P.W.D. construction of Parliament Library and Hall of Special Display at Pragati Maidan, New Delhi
- 58. Fast Breeder Reactor, Department of Atomic Energy, Madras

59. Bhabha Atomic Research Centre, Mumbai
60. Indian Space Research Organisation, Trivandrum
61. Vikram Sarabhai Space Centre Trivandrum
62. Liquid Propulsion Systems Centre, Mahendragiri.
63. Test Facility of Liquid Propulsion Systems Centre, Mahendragiri.
64. Atomic Energy Commission Hqrs. Mumbai.
65. Missile Preparation Facility, TUNIR
66. New Customs House, Mumbai.
67. Air Customs, Sahara International Airport, Mumbai
68. State Secretariat at Shimla.
69. State Secretariat, Govt. of Maharashtra, Mumbai
70. Income Tax Settlement Commission, Mumbai
71. Films Divisions, Mumbai
72. Jawaharlal Institute of Postgraduate Medical Education and Research (JIPMER), Pondicherry



DETAILS REGARDING COMMISSIONED STUDIES

SL NO	NAME OF THE STUDY	INSTITUTE TO WHICH STUDY WAS ASSIGNED
1.	MANPOWER OPTIMISATION IN ARMED FORCES	INSTITUTE OF DEFENCE STUDIES & ANALYSIS, NEW DELHI
2.	REVIEW OF RATION SCALES TO ARMED FORCES PERSONNEL	NATIONAL INSTITUTE OF NUTRITION, HYDERABAD
3.	RESTRUCTURING ORDNANCE FACTORIES ORGANISATION	TATA CONSULTANCY SERVICES, NEW DELHI
4.	RESTRUCTURING OF MEDICAL SERVICES IN THE CHANGED SOCIO-ECONOMIC ENVIRONMENT	INDIAN INSTITUTE OF PUBLIC ADMINISTRATION, NEW DELHI
5.	RESTRUCTURING OF TELECOM SERVICES	NATIONAL PRODUCTIVITY COUNCIL, NEW DELHI
6.	RESTRUCTURING OF POSTAL SERVICES	FACULTY OF MANAGEMENT STUDIES, UNIVERSITY OF DELHI, DELHI
7.	RESTRUCTURING OF SERVICES IN THE FIELD OF SCIENCE AND TECHNOLOGY & AGRICULTURAL RESEARCH	INDIAN INSTITUTE OF SCIENCE, BANGALORE
8.	SURPLUS MANPOWER ON THE INDIAN RAILWAYS	INSTITUTE OF APPLIED MANPOWER RESEARCH, NEW DELHI
9.	ROLE OF ENGINEERING PERSONNEL IN THE CENTRAL GOVT. IN THE CHANGED SOCIO ECONOMIC AND POLITICAL ENVIRONMENT AND THE MEASURES NECESSARY TO ENSURE THEIR CONTINUED RETENTION IN THEIR SPECIALISED FIELDS	INDIAN INSTITUTE OF TECHNOLOGY NEW DELHI

SL NO	NAME OF THE STUDY	INSTITUTE TO WHICH STUDY WAS ASSIGNED
10	ESTABLISHMENT OF A PENSION FUND	TATA ECONOMIC CONSULTANCY SERVICE, BOMBAY
11	VOLUNTARY RETIREMENT SCHEME FOR CENTRAL GOVERNMENT EMPLOYEES	M/S NOBLE HOUSE, NEW DELHI
12	DATE OF SUPERANNUATION OF CENTRAL GOVERNMENT EMPLOYEES	INSTITUTE OF APPLIED MANPOWER RESEARCH, NEW DELHI
13	EXEMPTION OF GOVT. SALARIES FROM INCOME TAX	FISCAL RESEARCH FOUNDATION, NEW DELHI
14	RESTRUCTURING THE GOVT. OFFICE	(i) TATA CONSULTANCY SERVICE, NEW DELHI (ii) INDIAN INSTITUTE OF TECHNOLOGY, NEW DELHI
15	GOVERNANCE & GOVERNMENT EMERGING SCENARIO IN THE 21ST CENTURY	STRATEGIC MANAGEMENT GROUP 132, SHIVAJI APARTMENTS KAT KAJI NEW DELHI
16	RESTRUCTURING AND RATIONALISATION OF CPOs	CENTRE FOR POLICY RESEARCH, NEW DELHI
17	DETERMINATION OF MINIMUM SALARY FOR CENTRAL GOVERNMENT EMPLOYEES	NATIONAL PRODUCTIVITY COUNCIL, NEW DELHI
18	DETERMINATION OF A RATIONAL SALARY STRUCTURE FOR SENIOR FUNCTIONARIES IN THE CENTRAL GOVERNMENT	INDIAN INSTITUTE OF PUBLIC ADMINISTRATION, NEW DELHI
19	COMPARISON OF SALARIES AND PERQUISITES IN THE GOVERNMENT WITH THOSE IN PRIVATE & PUBLIC SECTOR	MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

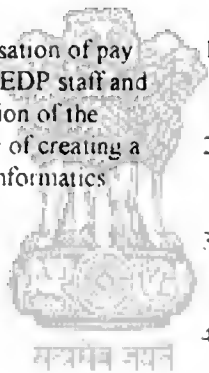
SUMMARY TABLE OF WORKING GROUPS

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
1.	Laboratory Technicians	To examine the disparities in the pay structure of Laboratory Technicians, Laboratory Asstts., Chemists, Laboratory Attendants etc.	<p>1. Jt. Secretary (Admn.) Ministry of Science & Technology</p> <p>2. Jt. Secretary (Per) Ministry of Defence</p> <p>3. Jt. Secretary (Estt.) Deptt. of Supply Ministry of Commerce</p> <p>4. Jt. Secretary (Admn.) Ministry of Rural Affairs & Employment</p> <p>5. Jt. Secretary (Police) Ministry of Home Affairs</p> <p>6. Executive Director Railway Board Ministry of Railways</p>
2.	Non-Gazetted Scientific Staff (Tech/Scientific Research Asstts.)	To examine the need for maintaining separate cadre of specialists among non-gazetted staff And for rationalising the Pay structure, career Progression, special Allowances and also the Formation of an Organised/ unified service	<p>1. Jt. Secretary (Admn.) Deptt. of Science & Technology Ministry of Science & Technology</p> <p>2. Jt. Secretary (Admn.) Deptt. of Health Ministry of Health and Family Welfare</p> <p>3. Jt. Secretary Deptt. of Agriculture &</p>

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			Cooperation Ministry of Agriculture
			4 Executive Director Railway Board Ministry of Railways
			5. Director of Personnel Defence Research & Development Organisation Ministry of Defence
3	Para Medical Staff	Examination of the nature and nomenclature of posts to be included in the category of para medical staff, optimisation of their man power and rectification of the problems of anomalies in pay and promotion.	<p>1 Jt. Secretary (Admn.) Deptt. of Health Ministry of Health and Family Welfare</p> <p>2 Jt. Secretary(Police). Ministry of Home Affairs</p> <p>3. Jt. Secretary (Pers) Deptt. of Science & Technology Ministry of Science & Technology</p> <p>4 Jt. Secretary (Admn.) Ministry of Defence</p> <p>5. Director General Railway Health Services Ministry of Railways</p> <p>6 Dy. Director General (Medical) Deptt. of Posts</p> <p>7. Jt. Secretary Ministry of Environment & Forest</p>

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
4	Veterinarians	To define, examine and suggest the co-relation between the size of para medical and medical service and to look into the demands for parity inter se between these categories and rectification of anomalies in pay scales and stagnation	<ol style="list-style-type: none"> 1. Director General Remount Veterinary Corps Ministry of Defence 2. Jt. Secretary (Admn.) Deptt. of Animal Husbandry Ministry of Agriculture 3. Jt. Secretary (Admn.) Deptt. of Health 4. Jt. Secretary Ministry of Rural Affairs & Employment 5. Jt. Secretary Ministry of Environment & Forests 6. Director Veterinary Services Delhi Administration 7. Representatives of Para Military Forces and Border Security Force
5	Printing Staff	To suggest steps to bring uniformity in pay scales and service conditions and removal of existing disparities	<ol style="list-style-type: none"> 1. Addl. Secretary and Jt. Secretary Ministry of Urban Affairs & Employment 2. Executive Director Railway Board (G) Ministry of Railways 3. Jt. Secretary Ministry of Finance

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			4 Jt Secretary Ministry of Science & Technology
			5. Director Postal Board Deptt of Posts
			6 Director Printing Directorate of Printing
6.	Electronic Data Processing Staff (EDP)	Rationalisation of pay scales of EDP staff and examination of the feasibility of creating a Central Informatics Service	1 Spl Secretary Planning Commission 2 Director General National Informatics Centre 3 Jt Secretary Deptt of Personnel & Training 4 Jt Secretary Deptt of Expenditure 5 Executive Director (Accts) Ministry of Railways 6 Scientist/Engineer (Grade SG) Deptt. of Electronics 7 Jt Secretary Ministry of Home Affairs 8 Director Ministry of Defence



Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
7.	Work Establishment Charged Norms	Comparative Study of the norms for work charged estt. in various Ministries/Departments with a view to rationalising them and effecting economy	<ol style="list-style-type: none"> 1. Director (MPP) Deptt. of Telecom 2. Chief Engineer (HRM) Central Water Commission 3. Director SIU Deptt. of Expenditure 4. Director (Plg & Coord) Deptt. of Defence Production & Supply 5. Director (Works) Deptt. of Defence 6. Supdt. Engg. (Coord) Central Public Works Department 7. Director (C) Fifth Central Pay Commission
8	Stenographers outside Secretariat	To examine the demand for parity in the pay scales of Stenographers in the Sectt or HQrs Offices and those in the attached and subordinate offices or in the field formations and to examine the adequacy of the promotional avenues available to them.	<ol style="list-style-type: none"> 1. Jt. Secretary (S) Fifth Central Pay Commission 2. Executive Director Ministry of Railways 3. Jt. Secretary Ministry of Defence 4. Director (C) Fifth Central Pay Commission 5. Officer on Special Duty (PC) Deptt. of Posts

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			6 Director Admn Reforms & P G.
			7. Director (E) Deptt. of Personnel & Training
			8 Dy Secretary (D) Fifth Central Pay Commission
9	Language Instructors	To examine the demand for parity in pay scales and promotional avenues	1 Jt Secretary(S) Fifth Central Pay Commission 2 Jt Secretary Deptt of Personnel 3 Jt Secretary (Training) Ministry of Defence 4 Jt Secretary Deptt of Education 5 Director (PF) Ministry of Home Affairs
10	Accounts Staff	To examine the need for parity in pay scales and service conditions	1 Jt Secretary (S) Fifth Central Pay Commission 2 Addl F A (T) & Jt Secretary Ministry of Defence 3. Addl CGDA (System) Ministry of Defence 4 Dy Director General (PAF) Deptt of Posts 5 Dy Director General (TRF) Deptt of Telecom

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			6. Director (C) Fifth Central Pay Commission
			7. Principal Director (Staff) Office of C & A.G
			8. Jt. Director (Fin) Ministry of Railways
			9. Dy Secretary (A) Fifth Central Pay Commission
			10. Dy Secretary (E) Fifth Central Pay Commission
11.	Artists	For streamlining the grade structure	1. Jt. Secretary (R) Fifth Central Pay Commission 2. Jt. Secretary (IP&CA) Ministry of Information & Broadcasting 3. Jt. Secretary (B) Ministry of Information & Broadcasting 4. Jt. Secretary (Films) Ministry of Information & Broadcasting
12.	Cameraman/ Photographer	For streamlining the grade structure	1. Jt. Secretary (R) Fifth Central Pay Commission 2. Jt. Secretary (E) Ministry of Defence

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			3. Jt. Secretary Defence Production Ministry of Defence
			4. Jt. Secretary (Admn) Deptt. of Education Ministry of Human Resource Development
			5. Jt. Secretary (Admn) Deptt. of Agriculture & Cooperation Ministry of Agriculture
			6. Jt. Secretary (B) Ministry of Information & Broadcasting
			7 Jt. Secretary (Admn.) Ministry of Water Resources
13	Translators- Cum-Interpreter Foreign Language	Study the disparities between those in the Ministry of Defence and those in the Ministry of External Affairs and to streamline their grade structure in general	1. Jt. Secretary (R) Fifth Central Pay Commission 2. Jt Secretary (E) Ministry of Defence 3 Jt. Secretary (AD) Ministry of External Affairs
14.	Central Police Organisations (CPOs)	Restructuring and rationalisation of CPOs	1. Member Secretary Fifth Central Pay Commission 2. Spl. Secretary (ISP) Ministry of Home Affairs

Sl No.	Category of Posts studied by the Working Group	Scope of Study	Constitution
			3. Director General Border Security Force
			4. Director General Central Reserve Police Force
			5. Director General BPR&D
			6. Jt. Secretary (NE) Ministry of Home Affairs
			7. Jt. Secretary (P) Ministry of Home Affairs
			8. Jt. Secretary (Security) Ministry of Home Affairs



सत्यमेव जयते

TEAM WISE WORK ALLOCATION

SECTION/ TEAM	TEAM WISE WORK ALLOCATION	STAFF SANCTIONED
ADMINISTRATION WING	Admn. Section	Establishment matters including General Administration and Report printing
		U S 01 S O 01 Asstt 02 Steno 01 LDC 01 Tel Opr 01 Driver 04 Peon 01
	Cash Section	All matters relating to Cash. accounts and budget
		DDO(AAO)01 Asstt 01 UDC 01 LDC (cashier) 01 Peon 01
	Receipt & Issue Section	Receipt of dak and its distribution
		Asstt 01 LDC 01 Peon 02 (1 Se Driver) (1 Gest. Opr)
COORDINATION WING	Coordination I	Convening meeting of the Commission (both in and outside Delhi), matters relating to the terms of reference, principles of pay determination & pay structure, classification of services and posts, date of effect of the recommendations, financial implications of the recommendations and summary of recommendation
		D S 01. U.S. 01 S.O 01 Asstt 03 P A 01 Steno 02 LDC 01 Peon 01
	Coordination II	Matters relating to All India Services, Central Civil Services Group 'A', Delhi and Andaman Nicobar Islands Civil Service/ Police Service Group 'B', Indian Foreign Service Group 'B' and
		U S 01 Asstt 03 Steno 01 LDC 01 Peon 01

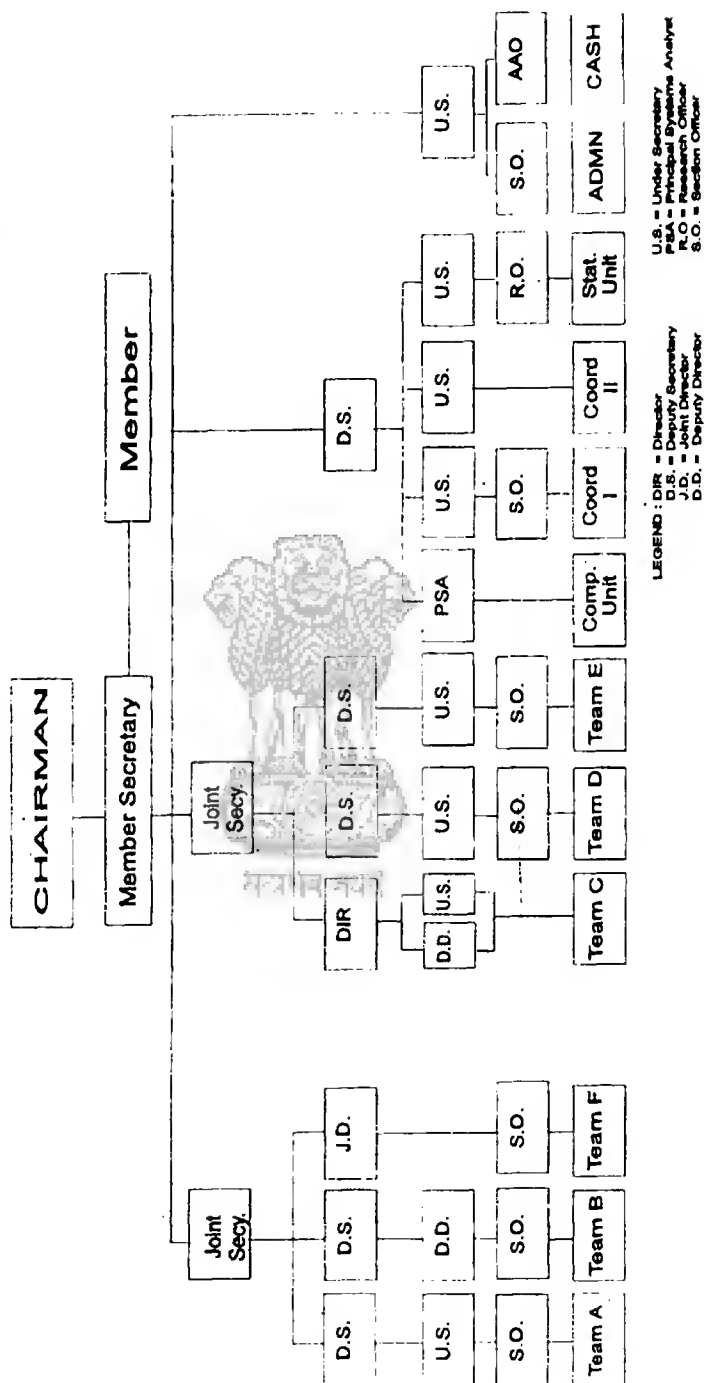
SECTION/ TEAM	TEAM WISE WORK ALLOCATION	STAFF SANCTIONED
Indian Information Service Group B'		
Computer Unit	To provide total computer system to the Commission	P.S.A 01 Prog Asstt. 01 D.E.O. 'E' 01 (On loan from NIC) L.D.C. 03 Pcon 01
Statistical Unit	Matters pertaining to Ministry of Planning and Programme Implementation; Planning Commission. Issues relating to dearness allowance, compensatory allowances, determination of minimum and maximum salary and comparison of salaries and perquisites with PSUs/Private Sector/State Government etc. as well as collection and compilation of Statistical Data.	U.S. 01 R.O. 01 Consultant 01 Asstt. 02 JRA 04 Steno 02 LDC 01 Pcon 01
TECHNICAL WING Team "A"	Matters relating to service conditions and pay scales of Armed Forces personnel and women employees in Govt.	D.S. 02 S.O. 01 Asstt. 03 P.A. 01 Steno 01 L.D.C. 01 Peon 01
Team "B"	Matters pertaining to the Ministries of Agriculture, Chemicals & Fertiliser, Civil Supplies, Consumer Affairs and Public Distribution, Communication, Environment & Forests, Food, Food Processing Industries, Health & Family Welfare, Mines, Non-Conventional Energy Sources, Rural Development, Science & Technology, Departments of Atomic Energy, Ocean Development and Space.	D.S. 01 D.D. 01 J.A. 01 Asstt. 04 P.A. 01 Steno 01 UDC 01 Peon 01

SECTION/ TEAM	TEAM WISE WORK ALLOCATION	STAFF SANCTIONED
	Issues relating to Scientific, Telecom, Postal and Medical Services including Laboratory Technicians & Veterinary Officers; medical facilities for Central Govt employees	
Team "C"	Matters pertaining to Ministries of Railways, Civil Aviation and Tourism, Coal, Industry, Petroleum & Natural Gas, Power, Steel, Surface Transport, Urban Affairs & Employment, Water Resources and Department of Electronics.	Dir 01 D.D 01 Sr. Analyst 01 Asstt. 02 P.A. 01 Steno 01 JRA 01
	Issues relating to Engineering Services, Workshop Staff, Marine Staff as well as common categories like Electronic Data Processing Staff, Gardeners and Nursery Workers and printing staff, Housing facilities and HRA	LDC 02 Peon 01
Team "D"	Matters pertaining to Ministries of Commerce, External Affairs, Finance, Human Resource Development, Personnel, Public Grievances and Pensions.	D.S. 01 U.S. 01 S.O. 01 Asstt. 03 P.A. 01
	Issues relating to pensions & other retirement benefits, Central Sectt Services, Group 'D' staff, educational facilities and allowances, provident fund, Insurance, special pay, deputation duty allowance and bonus	UDC 01 Steno 01 Peon 01
Team "E"	Matters pertaining to the Ministries of Labour, Law, Justice & Company Affairs, Parliamentary Affairs, Textiles.	D.S. 01 U.S. 01 S.O. 01 Asstt. 03
	Issues relating to the Cabinet Sectt., President's Secretariat, Prime Minister's Secretariat, UPSC, Central Vigilance Commission, Election	P.A. 01 Steno 01 L.D.C 01 Peon 01

SECTION/ TEAM	TEAM WISE WORK ALLOCATION	STAFF SANCTIONED
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	Commission of India, Indian Audit and Accounts Department including controller General of Accounts, Accounts Staff of Railways and Defence Accounts Department, pay scales of officers and employees of Supreme Court of India and High Court of Delhi as well as the Union Territories, Efficiency in Administration, Library.	Librarian 01
Team "F"	Matters relating to the Ministries of	J.D. 01
	Home Affairs and Information & Broadcasting	S.O. 01
		Asstt 04
		P.A. 01
	Issues pertaining to common categories like Railway Protection Force, Fire Service Staff, Artists, Cameramen, Photographers, Cinema Projectionists and Operators, editorial staff, Translators, interpreters and Security Staff Delhi Police (other than Group 'A' & 'B')	J.R.A. 01
		Steno 01
		Peon 01

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LIST OF OFFICERS AND STAFF WHO WORKED WITH THE COMMISSION

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
1	M K Kaw	Member Secretary	Indian Administrative Service	Himachal Pradesh Cadre	
2	N Sunder Rajan	Joint Secretary	Indian Audit & Accounts Service	Comptroller & Auditor General of India, New Delhi	
3	Rakesh	Joint Secretary	Indian Administrative Service	Manipur-Tripura Cadre	
4	D M Gautam	Director	Indian Railway Accounts Service	Ministry of Railways	
5	Smt Madhulika P Sukul	Director	Indian Defence Accounts Service	Ministry of Defence	
6	Smt. P Janaki	Deputy Secretary	Indian Defence Accounts Service	Ministry of Defence	Repatriated w e f 31.3.95 (AN)
7	M R Pania	Deputy Secretary	Indian Postal Service	Department of Posts	
8	Arvind Kumar	Deputy Secretary	Indian Forest Service	Sikkim Cadre	

Sl. No.	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
9.	A. K. Chandna	Deputy Secretary	Central Secretariat Service	Ministry of Finance	Rtd w e f 31.12.96 (AN)
10.	Hasib Ahmed	Deputy Secretary	Central Secretariat Service	Ministry of Finance	Repatriated w e f 13.12.96 (FN)
11.	A. K. Nayak	Deputy Secretary	Indian Ordnance Factories Service	Ministry of Defence	
12.	Manoj Joshi	Deputy Secretary	Indian Revenue Service	Ministry of Finance	
13.	Smt. Babni Lal	Deputy Secretary	Indian Economic Service	Ministry of Finance	
14.	S. K. Vohra	Joint Director	Border Security Force	Border Security Force	
15.	Smt. Saroj Amoli	Principal Systems Analyst	National Informatics Centre	Planning Commission	
16.	K. D. Upreti	Under Secretary	Central Secretariat Service	Ministry of Finance	
17.	Jiwan Das	Under Secretary	Central Secretariat Service	Ministry of Finance	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
18.	K. John	Under Secretary	Central Secretariat Service	Ministry of Finance	
19.	S D Bajaj	Under Secretary	Central Secretariat Service	Ministry of Finance	
20.	S K Sivastava	Deputy Director	Central Engineering Service	Central Public Works Deptt. Min. of Urban Affairs & Employment	
21.	R N. Sood	Deputy Director	General Central Service	Geological Survey of India Ministry of Mines	
22.	O P Nagpal	Principal Private Secretary	Employee of the Supreme Court of India	Supreme Court of India	
23.	A L. Sastry	Senior Analyst	General Central Service	NSSO(FOID), New Delhi	Rtd w ef 30.9.96(AN)
24.	Arun Kumar	Research Officer	Indian Economic Service	Ministry of Finance	
25.	S K Chikara	Section Officer	Central Secretariat Service	Ministry of Finance	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
26	Anil Joshi	Section Officer	Central Secretariat Service	Ministry of Commerce	
27	Yashpal Singh	Section Officer	Central Secretariat Service	Ministry of Commerce	Repatriated w.e.f.18.4.95(AN)
28	A.K. Pattanaik	Section Officer	Central Secretariat Service	Ministry of Finance	
29	P.C. Gupta	Section Officer	Central Secretariat Service	Ministry of Defence	Repatriated w.e.f.22.10.96
30	S. Balasubramanian	Section Officer	Central Secretariat Service	Ministry of Finance	
31	D.S. Bhatia	Section Officer	General Secretariat Service	Intelligence Bureau, MHA	
32	R.K. Bhorla	Section Officer	Central Secretariat Service	Ministry of Finance	
33	Jagmohan Singh	Section Officer	Central Secretariat Service	Ministry of Home Affairs	
34	V.K. Tondon	Private Secretary	Central Secretariat Stenographer Service	Ministry of Finance	
35	Kamal Kishore	Private Secretary	Central Secretariat Stenographer Service	Ministry of Agriculture	

Sl. No. (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
36	Jagdish Mitter	Private Secretary	AFHQ Stenographer Service	Ministry of Defence	
37	E. R. Padmanbhan	Private Secretary	AFHQ Stenographer Service	Ministry of Defence	
38	C.S.S. Raghav	A.A.O.	General Central Service	Controller General of Defence Accounts	Repatriated w e f 24 5 95
39	P.K. Gupta	A.A.O.	General Central Service	Controller General of Accounts, Ministry of Finance	
40	M.R. Sadagopan	A.A.O.	General Central Service	Controller General of Defence Accounts	Repatriated w e f 5 6 96(A.N.)
41	K. Bhaskaran	Junior Analyst	Central Reserve Police Force	Central Reserve Police Force	
42	S. Sankar Raman	Assistant Programmer	Electronic Data Processing Staff	National Informatics Centre	
43	Gulshan Arora	Data Entry Operator(E)	Electronic Data Processing Staff	National Informatics Centre	
44	Smt. Usha Malhotra	Data Entry Operator(E)	Electronic Data Processing Staff	National Informatics Centre	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
45.	Subhash Chander	Assistant	Central Secretariat Service	Ministry of Finance	
46.	Anil Jain	Assistant	Central Secretariat Service	Ministry of Finance	
47.	Smt Anita Mahendru	Assistant	Central Secretariat Service	Ministry of Finance	
48.	A.K. Misra	Assistant	Central Secretariat Service	Ministry of Finance	
49.	V.K. Goel	Assistant	Central Secretariat Service	Department of Posts	
50.	R P S Negi	Assistant	Central Secretariat Service	Ministry of Agriculture	
51.	Smt. Laxmi Srinivasan	Assistant	General Central Service	Cabinet Secretariat, M.H A	
52.	Kailash Chander	Assistant	Central Secretariat Service	Ministry of Agriculture	
53.	U S Pandey	Assistant	Central Secretariat Service	Ministry of Labour	
54.	Lila Ram	Assistant	A.F.H.Q. Civil Service	C A O , Ministry of Defence	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
55	O P Bahl	Assistant	A.F.H.Q. Civil Service	C.A.O., Ministry of Defence	
56	R P Sharma	Assistant	Central Secretariat Service	Ministry of Finance	
57	V K Sikka	Assistant	Central Secretariat Service	Ministry of Finance	Repatriated w e f 31 12 96(A.N)
58	Vinay Malhotra	Assistant	Central Industrial Security Force	Central Industrial Security Force	
59	N K Pandey	Assistant	A.F.H.Q. Civil Service	C.A.O., Ministry of Defence	
60	S R Sharma	Assistant	A.F.H.Q. Civil Service	C.A.O., Ministry of Defence	
61	P S Kalra	Assistant	Central Secretariat Service	Ministry of Home Affairs	
62	Arun Goswami	Assistant	Central Secretariat Service	Ministry of Home Affairs	
63	Smt Sushila Khanna	Assistant	Border Security Force	Border Security Force,	
64	K C George	Assistant	Intelligence Bureau	Intelligence Bureau,	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
65	Amit Das	Assistant	Intelligence Bureau	Intelligence Bureau,	
66	P G Banai	Assistant	General Central Service	Controller General of Accounts	
67	R K Suryanarayanan	Assistant	General Central Service	Central Board of Excise & Customs	
68	Devki Nandan	Assistant	Central Secretariat Service	Ministry of Labour	
69	Mohd Salahuddin	Assistant	A.F.H.Q. Civil Service	C.A.O., Ministry of Defence	
70	S.N. Munjal	Office Superintendent	General Central Service	N.S.S.O. (FOD), New Delhi	
71	Arun Kansal	Assistant	Central Secretariat Service	Ministry of Urban Affairs & Employment	
72	Krishan Kumar	Assistant	Central Secretariat Service	Ministry of Urban Affairs & Employment	
73	Umesh Pande	Assistant	Central Secretariat Service	Ministry of Urban Affairs &	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
74	K L. Ahuja	Assistant	Intelligence Bureau	Intelligence Bureau, Employment	
75	Manjeet Singh	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Welfare	
76	I Narayanan	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Finance	
77	Tarun Kumar	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Finance	
78	P. Suresh	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Finance	
79	Praveen Singh	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Finance	

Sl No (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
80	Ravinder Kumar	Personal Assistant	Central Secretariat Stenographer Service	Ministry of Finance	
81	Smt Veena Chowdri	Personal Assistant	General Central Service	Department of Posts	
82	Smt L Jyoti Sharma	Personal Assistant	General Central Service	Indian Standard Bureau	
83	Smt Bindu Sadana	Personal Assistant	Central Industrial Security Force	Central Industrial Security Force,	
84	Smt Aruna Chugh	Sr Hindi Translator	Central Secretariat Official Language Service	Ministry of Finance	
85	B Ramesh	Librarian	Casual Appointment	--	
86	Jatinder Singh	Statistical Investigator	Planning & Statistical Cadre	National Capital Territory of Delhi	
87	Smt Anjali Oberai	Statistical Investigator	Planning & Statistical Cadre	National Capital Territory of Delhi	

Sl No (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
88	A.K. Sharnia	U.D.C.	A.F.H.Q. Clerical Service	C.A.O., Ministry of Defence	
89	G. Sreenivas	U.D.C.	A.F.H.Q. Clerical Service	C.A.O., Ministry of Defence	
90	M.S. Bisht	U.D.C.	Central Secretariat Clerical Service	Deptt. of Industrial Development	
91	S. Chakravarty	U.D.C.	A.F.H.Q. Clerical Service	C.A.O., Ministry of Defence	
92	A.K. Bhatnagar	U.D.C.	General Central Service	N.S.S.O (FOD), New Delhi	
93	Smt. Usha Seturaman	J.R.A.	General Central Service	Ministry of Finance	
94	Ravinder Kotru	J.R.A.	General Central Service	Department of Posts	
95	Smt. Soni Lata Koul	J.R.A.	General Central Service	Department of Posts	
96	R.K. Rohella	U.D.C.	General Central Service	N.S.S.O (FOD), New Delhi	
97	Anil Kumar	U.D.C.	General Central Service	N.S.S.O (FOD), New Delhi	

Sl No (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
98	Smt Vijay Laxmi	U D.C.	General Central Service	N S O (FOD), New Delhi	
99	Dhiraj Kumar	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
100	Chander Mohan	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
101	Rajeev Sethi	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
102	Sandeep Nautiyal	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
103	Vikas Avasthi	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
104	Devinder Kapoor	Steno Grade D	Railway Recruitment Board	Ministry of Railway	
105	T A. Sunni	Steno Grade D	General Central Service	Ministry of Information & Broadcasting	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
106	Ranjeev Nar	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
107	Kanhiya Lal	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Finance	
108	P L. Sanyal	Steno Grade D	Central Secretariat Stenographer Service	Ministry of Agriculture	
109	Miss V Sharda	Steno Grade D (ad hoc)	Casual appointment		
110	Miss Rajini Chawla	Steno Grade D (ad hoc)	Casual appointment		
111	Miss Ekta Katyal	Steno Grade D (ad hoc)	Casual appointment		
112	Smt Rachel Jose	Steno Grade D (ad hoc)	Casual appointment		

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
113	Miss Urmila Kumari	Steno Grade D (ad hoc)	Casual appointment		
114	P S. Bedi	L.D.C.	Central Secretariat Clerical Service	Ministry of Finance	
115	Shardha Nand	L.D.C.	Central Secretariat Clerical Service	Ministry of Law and Justice, Deptt. of Legal Affairs	
116	S S Phulona	L.D.C.	Central Secretariat Clerical Service	Ministry of Urban Affairs and Employment	
117	S C Rawat	L.D.C.	Central Secretariat Clerical Service	Ministry of Finance	
118	D. Vasuki Krishna	L.D.C.	Central Secretariat Clerical Service	Ministry of Agriculture	
119	P V S S. Kaladhar	L.D.C.	Central Secretariat Clerical Service	Ministry of Agriculture	

Sl No (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
120	Krishan Kumar	L D C.	Central Secretariat Clerical Service	Ministry of Labour	
121	S. Murlidhar Krishna	L D C.	A.F.I.Q. Clerical Service	C.A.O., Ministry of Defence	
122	Jai Kiran	L D C.	Central Secretariat Clerical Service	Ministry of Mines	
123	Rajpal Singh Bugujar	L.D.C.	Central Secretariat Clerical Service	Ministry of Labour	
124	Sanjay Kaushish	L D.C.	General Central Service	Office of Income Tax Officer, Range-9	
125	Rita Safaya	Telephone Operator (ad hoc)	From Open Market	Taken from 10th Finance Commission	
126	Pritam Singh	Staff Car Driver	Supreme Court of India	Supreme Court of India	
127	L. Simon Premkumar	Staff Car Driver	Tamil Nadu Electricity Board	TNEB, Chennai	

Sl No	Name of Official (S/Sh.)	Designation	Service	Parent Office/Cadre	Remarks
128.	Ram Bhargosa	Staff Car Driver	Ministry of Finance	Ministry of Finance	
129	Yash Pal	Staff Car Driver	Mail Motor Service	Department of Posts	
130.	N S Rawat	Daftary	Group D	Comptroller & Auditor General of India	
131	Sultan Singh	Jamadar	Group D	Ministry of Finance	
132	K Kanan	Jamadar	Co-terminus appointment with Chairman		
133	Satya Narain	Peon	Group D	N S.S.O (FOD), New Delhi	
134	Dinesh Kumar	Peon	Group D	N S.S.O (FOD), New Delhi	
135	Amarnath	Peon	Group D	Ministry of Finance	
136.	Arvind Dayal	Peon	Group D	Ministry of Finance	

Sl No (S/Sh.)	Name of Official	Designation	Service	Parent Office/Cadre	Remarks
143	C K Murmu	Peon	Group D	Ministry of Planning, Deptt of Statistics	
144	Hari Krishan Shah	Peon	Group D	Comptroller & Auditor General of India	
145	Desh Raj	Farash	Casual appointment	--	
137	M Manoharan	Peon	Group D	Supreme Court of India	
138	Gusain Singh	Peon	Group D	Supreme Court of India	
139	Shishir Kumar Andia	Peon	Group D	Supreme Court of India	
140	Om Prakash	Peon	Group D	Ministry of Finance	
141	Sajjan Kumar	Peon	Group D	N.S.S.O.(FOD), New Delhi	
142	Vikram Singh	Peon	Group D	N.S.S.O.(FOD), New Delhi	

LIST OF CONSULTANTS WHO WORKED WITH THE COMMISSION

- 1 B K Aggarwal (2.1.95 to 31.1.97)
- 2 A K Chandra (1.2.96 to 31.7.96)
- 3 A L Shastri (13.9.96 to 31.12.96)
- 4 S. Balasubramanian (1.10.96 to 31.1.97)



Section I

Role of Public Services



सत्यमेव जयते

Part II

Public Services Management



For the king.

... In the happiness of his subjects lies his happiness; in their welfare his welfare; whatever pleases himself he shall not consider as good, but whatever pleases his subjects he shall consider as good

Kautilya

Scope of Study

TERMS OF REFERENCE

2.1 There is a conscious departure from the past as far as the Terms of Reference of this Commission are concerned. We have been asked :

"to examine the work methods and work environment as also the variety of allowances and benefits in kind that are presently available to the aforementioned categories in addition to pay and to suggest rationalisation and simplification thereof with a view to promoting efficiency in administration, reducing redundant paperwork and optimising the size of the Government machinery."

*Administrative
Reforms
Commission*

2.2 This enlarges considerably the scope of this Commission. Although it would possibly be an exaggeration to call it an Administrative Reforms Commission, as was stated by a national newspaper, it brings under our purview certain significant issues of public service management which we may not otherwise have dealt with at length. We welcome this opportunity to express our views on the general policy which the Government ought to pursue in the area of civil service reform.

APPROACH OF STAFF SIDE

*Supportive
role*

2.3 The staff side of the National JCM have not been averse to this part of our charter. They have repeatedly asserted their commitment to a new style of governance in this country and pledged their support to any reformist ideas that we may espouse. They had only two caveats, the consideration of such issues should be taken up after the main report on payscales and allowances was submitted and

they be consulted on the contents of the reform package. The Commission, however, felt that we should present a single final report containing all our recommendations, especially as there is an inextricable linkage between the quality and quantity of manpower, the resultant quality, utility and cost effectiveness of public administration and the corresponding compensation package. The pay scale & allowances cannot simply be determined without reference to the organisation and size of the Government machinery.

*Consultancy
reports*

2.4 It must be admitted at the outset that the time at our disposal was not enough to delve deeply into the controversial areas of public service management. However, we tried to enlarge our horizons by resorting to consultancies on such diverse subjects as the 'emerging scenario of governance in the 21st century', 'restructuring of organizations', 'optimisation of manpower' etc.

*Visit to
Commonwealth
countries*

2.5 We also tried to analyze the measures taken by some Commonwealth countries which have attracted wide attention. The Commission paid a brief visit to Malaysia, New Zealand, Canada and the U.K. which have undertaken wide ranging & successful reforms in public administration. We had fruitful interaction with the people who were involved with the new systems.

EXPERIENCE OF CIVIL SERVICE REFORMS IN OTHER COUNTRIES

U.K.

2.6 In the United Kingdom, the effort started in 1979 when it was realized that the country was excessively bureaucratized and regulated. At first, Efficiency Units were created in the Prime Minister's Office. Scrutiny Exercises revealed several flaws in the civil service, which were sought to be remedied through the Financial Management Initiative. Government departments were allowed to manage their own budgets and managers made personally accountable for results. Then came the Next Steps Study, which resulted in the creation of Executive Agencies. In 1991, the Government launched the Citizens Charter, a ten year programme designed to raise the standards of public service. Privatisation has been a key strategy in order to promote fair competition between the public and private sector and give the best value for money to the taxpayer and the user of public services.

New Zealand

2.7 New Zealand also kicked off its reforms process by corporatisation and privatisation. Many government enterprises were sold off into private ownership. More than that, the principles of private sector organisation, efficiency and market competition were applied in the public sector. A new system of financial management was put in place to give individual departments greater autonomy in the management of their resources. Ministers now enter into contracts with departmental chief executives, specifying the desired output and the price that will be paid. Chief Executives are on five-year contracts. They in turn have full powers to hire and fire their staff and to fix their salaries which are wholly related to performance.

Canada

2.8 In Canada, the renewal of the federal public service was initiated in 1989. The key theme of the reform process is to provide high quality service and increased client satisfaction. The public service has to become more engaged, more open, more visible and more consultative. It must invest more heavily in the development of people and simultaneously reduce the burden of internal controls. An inter-departmental quality network has been established and service standards prescribed. Greater powers have been delegated to departments through the establishment of operating budgets and increased fiscal year-end flexibility. New information technology has also been used to provide improved service at reduced cost.

Malaysia

2.9 Malaysia has also travelled in the same direction through the downsizing of the public sector through privatisation, the introduction of the Malaysian Incorporated concept and the inculcation of positive values and work ethics. The public service has adopted the concept of Total Quality Management which has paved the way for the creation of customer-focused organisations capable of delivering quality outputs and services to customers in a time bound fashion. Towards this end, Government has adopted the clients' charter which envisaged a written commitment by its agencies to meet prescribed standards. Systemic changes were introduced in the budgeting and accounting areas to permit managers to achieve optimal utilisation of resources. The New Remuneration System created a work culture that emphasized performance, quality and productivity.

LESSONS

2.10 There are several lessons that we can draw from the experience of other countries in this general area :

- Civil service reforms have been identified as a critical concern in the quest for rapid economic progress, both in developed and developing countries
- the reform process has sought to define and concentrate on the core duties of Government and to ensure that non-core functions be offloaded on to the non-governmental sector
- this has involved right-sizing of the Government and reduction in its flab
- many functions have consequently been privatised fully or partially, corporatised or given out on contract

- there has been re-engineering of the Governmental set up to make it functional, efficient, productive, cost-effective and service-oriented
 - standards of performance have been published by individual organisations and been adhered to strictly
 - greater transparency has been imparted to the functioning of Government departments
 - government employees are being held accountable for their actions, and various methods of reward and punishment related to their performance are being devised
- there is greater emphasis on productivity, quality, courtesy and customer satisfaction.

THE INDIAN EXPERIENCE

Historical review

2.11 It is not that India has not taken initiatives in the field of administrative reforms. We have had the Secretariat Reorganisation Committee headed by Girija Shankar Bajpai (1947), the Report on Reorganisation of the Machinery of Government by N Gopalaswami Ayyangar (1949), the Gorwala Committee Report (1951), the Appleby Reports (1953 and 1956), the Administrative Reforms Commission Report (1966), and the series of reports submitted by the Economic Administrative Reforms Commission (1981-84) headed by Shri L.K.Jha. Consequently, an organisation and Methods Division was set up in the Cabinet Secretariat in 1954, and this has flowered into the present Department of Administrative Reforms. New systems of secretariat working were introduced, performance budgeting was adopted by all developmental ministries, there was wide delegation of administrative and financial powers, several initiatives were taken to professionalize the public sector operations and attempts were made to create system of on-line monitoring of performance in government.

Recent initiatives

2.12 Certain initiatives of the last twenty years have further accelerated our march on the path of progress. We have gone through a telecommunication revolution, our skies have been freed both for aeroplane flights and television channels, information technology have spread far & wide in the Government, taxation systems have been reformed, procedures for industrial licensing transformed, NRIs and foreign investors facilitated, shares of public sector enterprises disinvested and rate of growth of exports multiplied manifold. The New Economic Policy of the last five years has yielded positive results and the economy appears to have become buoyant.

Initiating a debate

2.13 It must be conceded, however, that structural and organisational reforms in the machinery of Government itself have not kept pace with the

other cataclysmic changes. It is this area which ought to be addressed now with a sense of urgency. Our entire objective in drafting this part of the Report with reference to Public Service Management is to initiate a debate on this most crucial subject.

OUR APPROACH

2.14 Our approach to the presentation of our viewpoint is as follows

- First, we shall look generally at the future, that is the immediate future of the next 10-15 years, which is the time horizon for any Pay Commission. This will help us to understand what kind of India is in the making and what kind of governmental set up it ought to have.
- Next, we shall enunciate an efficiency programme of how to redefine the goals of Government, pass on certain non-core activities to private contractors, develop partnership between Government, industry, academia and NGOs, restructure government, change the work methods and environment, bring about autonomy, transparency, productivity and equity in the system, reduce paperwork and introduce automation and information technology.
- Thirdly, we shall outline certain novel ideas on manpower development so that we attract the best talent into Government and retain it, examine new modes of recruitment, including contract employment, look at some innovative suggestions relating to training, performance appraisal, career progression, transfer policies and accountability.
- Then lastly, we shall examine the employment under the Central Government and whether the size of its work force can be controlled, look at various options of optimising the size of the Government machinery, especially in the organised services, armed forces, central police organisations, railways, posts and telecommunications, and make specific proposals for rightsizing of Government.

*A blueprint of
action*

2.16 At the end of this Part of the Report, we would expect to have outlined a blueprint for action which, if implemented by Government, would result.

in a totally transformed style of governance in this country, one which will be modern , non-feudal, honest, professional and citizen-friendly.



Governance - A Futuristic Scenario

LOOKING AT THE FUTURE

Futurology

3.1 Any attempt to look at the future is a hazardous exercise. Futurology involves an extrapolation of the past into the future with intelligent guesses about the likely outcome in an uncertain world. There are too many imponderables and even one cataclysmic event like a world war or disintegration of a large country can make all the guesswork redundant. There are a number of alternative futures awaiting us.

SMG Report

3.2 Fortunately, the time horizon of a pay commission is just a decade, not too long a period to indulge in a bit of inspired clairvoyance. We, therefore, commissioned the Strategic Management Group to forecast the likely scenario in the political, economic, social and other spheres upto the year 2010. They were to identify the possible changes in the character of governance and to suggest structural changes and the kind of bureaucracy required to meet effectively the emerging challenges of the 21st century. In what follows we attempt to convey the gist of their report, as modified by our own perspectives.

SECURITY AND INTERNATIONAL ENVIRONMENT

Objectives

3.3 The primary objective in this area is to retain and strengthen the sovereignty, unity, integrity and security of the nation, contain fissiparous tendencies, turmoil and unrest at home and overt threats from across the borders, emerge as a key player at least on the Asian scene and optimise our resource utilisation.

Our external security policies

3.4 Today, the world is no longer bi-polar. In the post cold war period, with America emerging as the strongest military power, India cannot resist international pressures by playing one super power against the other. With Pakistan declaring its nuclear capability, it is imperative that we carefully re-examine the nuclear option to remove the ambiguity in our policy. We should continue to resist pressures with regard to our missile and space programmes.

Defence expenditure may also need to be beefed up to maintain our edge vis-a-vis countries which may have adventurist designs against us

Reduction of manpower in armed forces

3.5 If diplomacy succeeds in reducing regional tensions, one could think of rationalisation of the armed forces, with a carefully and gradually reduced manpower being balanced by acquisition of modern, sophisticated weaponry. Privatisation of maintenance and manufacturing activities, corporatisation of ordnance factories and exposing them to commercial competition, modification of the teeth-to-tail ratio and progressive civilianisation can reduce the burden on the defence budget.

Internal security threats

3.6 India's internal security will continue to witness insurgent, sub-national ethnic and terrorist movements. The main cause is internal maladministration aided by external agencies and the major threat currently lies in J&K and in the North-East. The threat from our neighbouring country amounts to a low intensity proxy war, involving the infiltration of narco-terrorism, light weapons and insurgency operations extending to various parts of India

Our policies so far

3.7 In our response to the threat, we have not shown any special ardour for logic and commonsense. State police forces continue to be archaic, under-trained and poorly armed. Central police organisations are burgeoning in numbers by leaps and bounds. The army, which had initially shown prudent reluctance in getting embroiled in internal security issues, has not only overcome its hesitation but is now, with the setting up of the Rashtriya Rifles, an official player

Redefinition of policies

3.8 What we need is a redefinition of our national security policy in the following terms

- **A national security council** under the Prime Minister to debate and approve an overall policy
- **A clear appreciation of the threat perception** and a precise definition of the tasks to be performed respectively by the armed forces, the central police organisations and the state police forces.
- **An enhanced defence outlay**, in which manpower costs decline and equipment costs increase in accordance with a predetermined plan.
- **A diplomatic initiative to de-escalate conflict** in South Asia and increase regional cooperation.
- **A carefully funded scheme for improving the effectiveness of State police forces.**
- **Withdrawal of the armed forces from their counter-insurgency role**, disbanding of the Rashtriya Rifles and a drastic reduction in the central police force levels.

THE SOCIAL SCENE

<i>Demographic indicators</i>	3.9	India's population today is the second highest in the world, while land area is only 2.4%. The Planning Commission have projected a population of 1082.2 million by 2000 A.D. and 1164.25 million by 2011 A.D. During the period 1981 to 1991, birth rate per thousand declined from 33.8 to 29 and the death rate from 12.1 to 9.7. The annual growth rate is 1.8%, which is likely to fall further to 1.3%. Even so, the net reproduction rate of 1 or less will be achieved by the year 2006 only in Tamil Nadu, Kerala, Karnataka, Punjab and West Bengal. This has been rendered possible by increasing the rate of female literacy and reduction in infant mortality rate. Despite Government's best efforts, total literacy would probably not be achieved before 2027 A.D.
<i>Urbanisation</i>	3.10	Simultaneously, the rate of urbanisation is also picking up fast. The percentage of urban population is expected to go up from 27.82 in 1996 to 36.57 by the end of the year 2011. The growth of cities is haphazard and results in several negative features like rise in land prices, increase in slum areas, degradation in the quality of life, especially of the urban poor.
<i>Unemployment</i>	3.11	The employment scenario is equally dismal. There is a current backlog of estimated 18.7 million unemployed and another 125 million people are likely to enter the labour market between 1996-2010. However, the rate of increase in employment opportunities during the period 1971-1991 has been a very low 2.2% per annum.
<i>Poverty</i>	3.12	There are varying estimates of people living below the poverty line and these range from 30% to 40% of the total population. The anti-poverty programmes have not been able to achieve their targets mainly due to proliferation of schemes and the absence of a proper delivery mechanism.
<i>Food security</i>	3.13	Food security of the population is a major area of concern. It has been estimated that 250 million people consume less than three-fourth of the needed calories, while another fifty five million take less than half their daily calorie requirements. The major problem here is the ineffective public distribution system which is not reaching the rural poor.
<i>Women</i>	3.14	Although the status of some women in our society has seen a remarkable upgradation, the position on an overall basis is quite unhappy. The sex ratio has declined from 972 in 1901 to 927 in 1991. The position of female literacy and nutritional and health status of women leaves much to be desired. Efforts at their political empowerment have not fructified fully.
<i>Backward groups</i>	3.15	A similar problem exists in respect of socially and economically backward groups like scheduled castes, scheduled tribes and other backward classes. Sustained efforts have resulted in an enhancement of the literacy rate to 37.41% for the scheduled castes and 29.60% for the scheduled tribes. Reservation of seats in the Parliament, legislative assemblies, panchayati raj institutions, educational establishments and for employment in the government and the public sector have improved their status. Socially, this has had two kinds of fall-out. In certain States, there is a climate of tension between the members of forward and backward communities to the extent of becoming a law and order problem. It is also widely felt that the facilities extended to these disadvantaged sections of society have been cornered by a few influential families.

In this context, the following agenda for action may have to emerge

Programmes aimed at halting the demographic explosion. removing illiteracy, reducing infant mortality and poverty from this country will have to be extremely high on the agenda for the Central Government.

The quality of management of the social services sector, especially in basic health and primary education in Government has to be drastically improved.

There will have to be **special schemes for an orderly transition to a highly urbanised society**, with particular reference to the problems of the urban poor.

The existing **Public Distribution System** will have to be overhauled so that it becomes an effective conduit for supplying rations at reasonable prices to the rural poor.

The entire paraphernalia that sustains the phenomenon of male dominance in society will need to be disbanded.

An attempt will have to be made to **move gradually from a reservation-centred approach to an enhanced opportunity approach**, for the upliftment of members of disadvantaged castes, tribes and communities.

THE ECONOMIC SITUATION

3.17 During the eighties, the Indian economy moved away from the Hindu rate of growth of the preceding two decades and achieved an average growth rate of 5.23% per annum. However, the explosive growth in government spending resulting in negative savings of the Government administration and failure of the public sector to generate investible resources led to a macro-economic crisis towards the end of the decade.

3.18 A new economic policy was announced in July, 1991 which envisaged a roll-back of the State and placing a greater reliance on market-friendly policies. In the field of industrial policy, licensing was abolished for most of the industries, the number of items reserved for the public sector was reduced to six and the MRTP Act was amended. The National Mineral Policy (1993) dereversed thirteen minerals for exploitation by the private sector, while the National Telecom Policy (1994) allowed private participation in basic telecom services. The Air Corporation Act, 1994 enabled private air taxi companies to operate regular domestic services. The National Highways Act was amended to enable levy of toll on users of national highways.

3.19 There were sporadic attempts at disinvestment in public sector enterprises, but these got embroiled in controversies, culminating finally in the setting up of the Disinvestment Commission (1996). It is increasingly felt that in

capital intensive infrastructural sectors like energy, telecommunications, roads, ports, etc. the shortfalls in investment are so large that a massive infusion of private investment is a must. The public sector will also have to supplement the private effort in some of these areas but its main accent may have to shift towards the provision of social services like education, health, nutrition etc.

Per capita income 3.20 On an overall basis, it has been estimated that if there is a 6% growth in GDP, per capita income can be raised 2.4 times by the year 2010 and the percentage of people below the poverty line can be brought below 20%. If there is an investment rate of 30% and a growth rate of 7-8% over the next 10-15 years, per capita income can be trebled and the demographic threat kept under check.

Employment 3.21 Employment generation has been considerably lower than the target of 2.6% to 2.8%. This necessitates a major policy initiative.

Budgetary deficit 3.22 It has been accepted that the main reason for the macro-economic crisis was the growth of public spending through the eighties as a result of which fiscal deficit as a proportion of GDP rose from 6.4% to 9%. The yawning gap between revenue receipts and revenue expenditure was met by deficit financing and the raising of internal and external debt. Attempts to curtail the deficit have mainly been made through reduction in capital expenditure, with consequent adverse impact on the economy. What is really needed is a cut in revenue expenditure, for which a reduction in the role and scope of government is essential;

Reduction in Government 3.23 The reduction in Government will have to be achieved through dismantling of the excessive controls, disinvestment in the public sector, corporatisation of departmental undertakings, privatisation and contracting out of many services that are presently being performed directly by Government. Government's role will be more in evolving the policy of governance and less in the actual governance itself. Most Government departments will have to function as facilitators rather than inhibitors of growth. New regulations will have to be evolved and enforced so as to provide a level playing field as between the public and private sector enterprises, as also between domestic and foreign companies. The administered price mechanisms will have to be replaced by mechanisms based on market-determined prices.

Anti-poverty programmes 3.24 A major thrust of Government initiatives will have to be in the field of poverty alleviation. Although there are a number of anti-poverty schemes in existence, a much better delivery system needs to be devised. The multiplicity of the existing programmes will have to be curbed. There is need for higher investments in the fields of primary education, basic health care, rural roads, water supply, sanitation, slum improvement etc.

Economic scenario 3.25 Thus the economic scenario of the next decade will most probably require the following initiatives :

- An investment rate of 30% and a rate of growth of GDP by 6 to 8%
- An increase in employment generation by 3% every year
- **Dismantling of the permit-licence system**

Disinvestment in the public sector

Corporatisation of departmental undertakings

Privatization and contracting out of services

*Residual role
of State*

3.26 The residual role of the State will have to be confined to the following areas:

As a facilitator of economic activity

- For development infrastructure
- As an investor in social services
- In poverty alleviation programmes.

THE OVERALL SCENARIO

*Need for faster
growth*

3.27 Thus when we visualize the national scene as it is likely to emerge by the year 2010, there are some discernible trends. The fundamental task is to keep the nation intact against all its enemies, internal and external. We have to fuse the different classes, castes and communities into a unified band of secular citizens. And India has to achieve a faster rate of economic growth with the private and public sector working in tandem.

3.28 How the Central Government would have to change in response to the new challenges is our next theme.

सत्यमेव जयते

The Changing Face of the Central Government

INTRODUCTION

Introduction 4.1 Having visualized the possible scenarios for the next decade, we may now look at the manner in which the role of the Central Government is likely to be altered as a result of the potential changes in the environment. Before we do that, a brief appraisal of the subtle shift in the role of Government itself would be in order.

A MODIFIED ROLE FOR GOVERNMENT

Role of State 4.2 Philosophers, economists and political scientists have often differed violently on what the role of the State should be. Adam Smith was a votary of laissez faire and Western capitalism was founded largely on the premise that the best Government is the one which governs least. The world war period saw the emergence of the Welfare State which came to be firmly established in all the western capitalist societies after the second world war. In the alternative system of economic organisation, Karl Marx called for the withering away of the State, but critics of Marxism allege that the revolution spearheaded by the proletariat led, in actual fact, to State Capitalism and totalitarian regimes.

Recent Changes 4.3 Recent decades have seen a shift towards a reduced role for the Government in all countries. Thatcherism in U.K. and Reaganomics in U.S.A. tried to pull out the State from the morass of over-involvement. The decline of Communism in Eastern Europe has furthered the trend towards economic liberalisation and disinvestment in public sector enterprises. Thus it is no longer always popular to be a leftist or to advocate nationalisation as the panacea for all ills.

The Indian Context 4.4 India could not have remained unaffected by these global trends. But it was really the deep economic crisis of 1991 which pushed us on to a new

path of development. Today it is the received wisdom that Government should confine itself primarily to the core functions that cannot be performed by the market. Everything else must be left to private initiative.

Core Functions of Government 4.5 Contemporaneously, there is no one who advocates an all-pervasive role for the Government. The attempt is to identify the core functions. There is a fair amount of consensus that the following areas fall within the legitimate province of Government as such :

- (i) National security
- (ii) International relations
- (iii) Law and order
- (iv) Management of economy at macro level
- (v) Setting up of infrastructure
- (vi) Social services
- (vii) Programmes for disadvantaged sections

What Government should not do 4.6 At the same time, it is recognised that there are functions currently performed by Government which ought to be given up. Direct participation in manufacturing, mining and economic services, and direct control of economic activity in the private sector are two such major areas. Many countries have divested themselves of public sector enterprises which could be better run in the private sector in the areas of coal, steel, fertilizers, air, rail and road transport, tourism, hoteliering, banking, insurance, and so on. Some countries have turned to the private sector even in the traditionally super-sensitive areas of atomic energy, space and defence production. Where some activities have been retained in Government, they have been hived off into separate autonomous agencies with independence of functioning.

State in relation to private sector 4.7 The nature of Government regulation of economic activity has undergone a major change. Governments no longer insist on issue of licences and permits for setting up of new industrial units or expansion of existing ones. It is considered wiser to set up autonomous regulatory agencies with quasi-judicial powers, in order to ensure that the functioning of private units is regulated in the social interest.

A NEW CHARTER FOR THE CENTRAL GOVERNMENT

The question of jurisdiction 4.8 In the Indian context, we have to also examine whether within the overall parameters of what the State should directly do, a particular item should be within the jurisdiction of the Central or State Governments or the third tier of Government that is now being established at the level of the urban local body or the village panchayat.

Federalism 4.9 When the Indian Constitution was initially framed, it was intended to be a federal polity with a unitary bias. During the period 1950-90, the unitary bias got a tremendous boost, owing to the fear that the country would otherwise be broken into fragments due to strong centrifugal forces. After 1967, when the first Sanyukta Vidhayak Dal ministries were formed in the States, right through the period 1977-1980 when the Janata Dal was in office, the opposite trend of States asking for greater powers was also set in motion. Today, when the Central

Government is itself a multi-party coalition of which some parties represent regional forces, the federal tendencies have again come into their own.

*Transfer of
Powers to States*

4.10 There are two major decisions needed here. First, **there has to be a transfer of functions, powers and resources to the States.** This can be done according to the overall plan laid down by the Sarkaria Commission on Centre-State relations. There are decisions taken or suggestions made in meetings of the National Development Council, Chief Ministers' Conference or the conclaves of leaders of Opposition parties.

*Broad
Parameters*

4.11 Specifically, the action would be guided by the following broad parameters :

The Central Government would confine its activities only to the core functions mentioned in the Union List. Even here, an attempt could be made to prune the list.

- **Some items could be shifted from the Concurrent List to the State list. Education is one such major subject.**
- **Matters which are itemized in the State List could be generally left to the States, with the Centre only dealing with certain minimal aspects of international relations, overall legislation and coordination.**
- **The list of Centrally Sponsored Schemes could be brought down sharply to almost ten National Programmes, with the rest being transferred to the States.**
- **The entire scheme of sharing of revenues as between the Union and the States could be worked out afresh, so as to allow the State Governments to have elastic sources of revenue or a larger statutory share in Central revenue receipts.**

*Self-governing
Institutions*

4.12 Secondly, **self-governing institutions where the people themselves take over the functions of the State would have to be encouraged, sustained and nurtured.** These would include municipal bodies, panchayats, cooperatives, voluntary organisations and the like. Political and economic authority would necessarily have to be delegated to them. Politicians and bureaucrats, who have traditionally looked at these organisations with contempt or disgust, would have to willingly share power with them.

*The Centre's
Preserve*

4.13 Whatever is then left with the Central Government as its legitimate preserve would need to be further rationalized in the following manner :

- **Only matters requiring policy initiatives and overall monitoring and coordination should be retained in the Central Ministries and Departments.**

Functions that involve regulation and control of private initiatives would have to be hived off to semi-autonomous independent agencies.

Departmental undertakings should either be closed down, privatized or be converted into public sector enterprises

Services that can be performed by the private sector should be contracted out, as far as possible, to that sector.

IMPLICATIONS FOR ORGANISATIONAL STRUCTURE

Changes in Structure

4.14 All this has wide-ranging implications for the way the Central government needs to be structured. The decisions that may require to be taken will be of the following broad types :

- (i) Some Ministries and Departments may have to be abolished altogether or amalgamated with other Ministries and Departments.
- (ii) The size of a Ministry or Department may have to be reduced drastically in order to fit it for the revised role that it has to perform.
- (iii) The kinds of programmes and schemes that will be implemented may have to be quite different.

An Altered Role

4.15 In general, the Central Government will have to alter its perceived role, delegate much more to other levels of Government, transfer many of its functions to the non-governmental sector and fashion a public service that would be geared to the new tasks. It is sometimes thought that an altered role for the bureaucracy would reduce its importance. This is too simplistic an approach. It is our considered view that the public services have a critical role in the task of building up a resurgent nation. Let us now try to see what this role is likely to be

The Crucial Role of Public Services

THE PRESENT STRUCTURE

Structure of public services

5.1 When we assess the present structure of public services in India, we see a certain well-defined pattern. At the Central level, the All-India Services, the Central Services and the Commissioned-Officers in the armed forces provide the leadership. The Group B Services are a second rung of leadership and supervision. The Group C Services provide valuable support and the Group D Services form the auxiliary wing.

Recruitment

5.2 There are certain distinguishing features of the public services. Recruitment is generally made by open competitive examinations conducted by independent bodies like the Union Public Service Commission, Subordinate Service Commissions, Service Selection Boards etc. The procedures are open, transparent and generally trouble-free. We have a high degree of fairness and objectivity in selection to the public services.

Constitutional powers

5.3 The public servants are authorities under the Constitution and the law of the land. They derive their power and authority from Articles 309 to 313 of the Constitution and various Acts, Rules, Regulations and notifications, all of which have a legal sanctity. The exercise of such authority is subject to scrutiny by a number of institutions. The legality can be questioned in a court of law; the propriety can be challenged by the Comptroller and Auditor General; the contribution to public welfare can be debated in Parliament and its many Committees; the integrity aspect can be probed by various vigilance organisations; and an independent press performs a vigorous watchdog role. Thus all the institutions that are prerequisites for an independent, fair-minded, honest, devoted public service are in place.

PUBLIC IMPRESSIONS

Complaints of the public

5.4 However, if one speaks to any enlightened member of the public he has several complaints against the public services. These relate to their size, productivity, accountability, transparency and integrity.

- Size* 5.5 There is a general impression that the absolute size of the bureaucracy is overgrown beyond what is fundamentally necessary. It is often referred to as being "bloated". It is also felt that the numbers are increasing at a rapid pace, with scant regard for the work-load. People also speak of the bureaucracy being top-heavy.
- Productivity* 5.6 Not only are public servants perceived to be too many in number, it is also believed that they do not contribute to the gross domestic product. Public servants are alleged to invariably come late to office, spend a large part of the day in sipping tea, smoking and indulging in gossip, and leave office early. Consequently, productivity is said to be abysmally low, estimates of their actual working hours ranging from one to two and a half hours in a day.
- Accountability* 5.7 It is felt that bureaucrats are a law unto themselves. They hide behind mountains of paper, maintain uncalled for secrecy in their dealings with public issues, take surreptitious decisions for considerations that are not always spelt out on paper, and are accountable to no one. They have life-time contracts of service which cannot be cut short on any ground, defended as they are by the safeguards under Article 311 of the Constitution. Their misdeeds are never found out. If exposed, they take refuge behind the protective wall of collective decision-making in committees, which cannot be brought to book.
- Integrity* 5.8 The most serious charge levelled against them is that they lack integrity and honesty. This they are alleged to lack not merely in the sense that they accept money or rewards for the decisions they take as public servants in the exercise of their sovereign powers, but also in the larger sense of not maintaining a harmony between their thoughts, words and deeds. Many scams are being uncovered every day and evidence unearthed of public servants not only conniving at corruption but being the beneficiaries of the system themselves.

SELF-IMAGE OF THE PUBLIC SERVANTS

- Importance* 5.9 If one speaks to public servants, they have a different story to tell. They feel that their tasks have become increasingly complex and important over the years. India used to be a comparatively simpler semi-feudal society that had remained largely static and unchanged over centuries. It had been described variously as 'the continent of Circe' or 'an area of darkness'. Suddenly it has been transformed into a nation with 'a million mutinies'. The disadvantaged sections of society - women, backward classes, scheduled castes and tribes, dalits, minorities, the poor, the handicapped - have woken up to their rights. Everywhere there are struggles and these have got to be resolved peacefully, productively and meaningfully.
- 5.10 The increase in the size of the work-force has not unfortunately kept pace with the workload, the bureaucrats feel. There are unnecessary hurdles on creation of posts and illogical across-the-board cuts in numbers. The result is delay, inefficiency and corruption.
- Salary levels* 5.11 The public servants feel victimized by the system which has pegged their salaries at very low levels compared to the public and private enterprises. The recent entry of multi-nationals and NRI-owned companies in the Indian market has

further dampened their enthusiasm, as they find their own next generation drawing salaries which bear no relationship at all with their own petty wages. They are also resentful of the fact that Pay Commissions are set up at intervals of decades and that there is only partial neutralisation of the rise in cost of living, which means that they are being subjected to a gradual and sustained process of impoverishment.

Integrity

5.12 Many public servants feel that only a small percentage of them are corrupt, but they are all tarred with the same brush. They would like Government to take strict action against such miscreants, so that the general image of the public servant is not sullied. They feel that they are actually accountable to a host of agencies and, in fact, many of them have stopped taking decisions owing to the fear that any decision taken by them is liable to be misconstrued and misinterpreted.

A BALANCED APPRECIATION

Gap in perceptions

5.13 There is a yawning chasm between the public perception of the bureaucracy and its self-image. Both views are rather exaggerated and the reality lies somewhere in the middle.

Achievements

5.14 The achievements of the public services are laudable. If we have been able to govern a country which is more of a sub-continent, with so many elements of religion, caste, community, language or region that can divide, some credit should go to the bureaucrats too. Our scientists have worked wonders in the fields of space, agricultural production, atomic energy, defence production, electronics, computer software and so on. Our engineers have built roads, highways, buildings, dams, factories and other complicated structures. Our doctors have eliminated a number of diseases and lengthened the life-span of each citizen. Our diplomats have implemented a fearless and independent foreign policy which has steered us clear of the power blocs. Our soldiers and policemen have defended the integrity of the nation. Our industrial workers have shown wonderful results in numerous fields. On the whole, India's overall progress spanning the last half a century, while sustaining a vibrant democracy, an independent judiciary and a free press, is not a mean achievement.

Failures

5.15 We could have done better. We should have loosened controls over the private sector. We should have opened out into the global market. We should have resorted to economic liberalisation. Whatever steps we have taken in the last five years could have been timed for the early eighties. Even at present, there are areas of public sector disinvestment, dismantling of tariff barriers, bringing down of rates of corporate taxation and interest rates, rightsizing of manpower, controls over industry and trade at State Government level etc. where we are still dragging our feet. Part of the reason is the disinclination of the political executive to let go the levers of power, the unwillingness of the local industry to face global competition and the reluctance of the trade unions to come to terms with the new environment. But the bureaucracy has also to share part of the blame.

Size

5.16 With regard to the size of the public services, while it is true that the numbers have risen sharply from 29.82 lakhs in 1971 to 41.82 lakhs in 1994 as far as civilian Central Government employees are concerned, there is a visible trend towards slowing down of the annual increase, over the last 15 years. Various

measures taken by Government are responsible for this. In fact, the only segment which has seen substantial increase in numbers in recent years is that of Central police organisations and here the reasons are known. The expenditure on pay and allowances of Central Government employees as a percentage of the total revenue expenditure of the Central Government has also come down from 33.5 in 1960-61 to 28.3 in 1970-71, 19.1 in 1980-81 and 13.6 in 1993-94. This is mostly because of the tremendous increase in the total revenue expenditure and therefore the percentage figure may not give us a realistic picture. Be that as it may, there is no doubt in our mind that there is a substantial scope for an across-the-board cut in numbers and we are making our recommendations on this aspect in a later chapter.

Productivity 5.17 There is no doubt that the productivity in Government is quite low. Lack of punctuality is one reason, the five-day week and the large number of holidays another. Sufficient care has not been taken in devising criteria for measurement of an employee's output. Most of the norms for creation of posts are outdated and need to be revised. There are no incentives for higher output and promotions are almost automatic. There is undue emphasis on rules and procedures, and not enough on output. Interference from political sources creates havoc in day-to-day administration.

Accountability 5.18 The true position about accountability is that Government employees are accountable but to the wrong people for the wrong reasons. There is accountability to vigilance, but if the paperwork has been done skilfully it is difficult to hold anyone responsible. Auditors are unfortunately more concerned with whether all the procedures have been meticulously followed. In any case, the PAC questions a remote successor about the misdeeds of his predecessors who are no longer traceable. Newspapers tend to sensationalize news, with the result that good solid work gets overlooked and silent workers never get patted on the back. What we require is on-line monitoring of performance, performance budgeting, performance audit, concurrent evaluation, continuous counselling and feedback at all levels.

Integrity 5.19 Integrity has never been a strong point of the bureaucracy in India and the situation has definitely worsened in recent years. The time is ripe for drastic steps to counter corruption, which has assumed cancerous proportions in the body politic.

Salary Levels 5.20 Salary levels in the Central Government used to be quite attractive, when compared to the private and public sectors as also the State Governments and Universities. Over the years the other sectors have gone ahead and public servants have been left way behind. Something significant needs to be done or else Government employment will soon be the last choice of bright young men and women.

CRUCIAL SIGNIFICANCE OF PUBLIC SERVICES

Critical Importance 5.21 The deterioration in the calibre of Central Government employees could have been ignored if they had been unimportant cogs in the machine of governance. It has now been proved in country after country that an honest, professionally sound, contented bureaucracy is a critical element of any programme

of economic resurgence. Their importance arises from the following functions that they and only they can perform

- They are catalytic agents of change. In developing countries, they are often the most educated and well qualified groups of people with a presence right up to the grassroots. They have access to information from all over the world, they have the means to implement ideas and they have the communication network to propagate their agendas for action.
- They enforce socially beneficial regulations with reference to crucial inputs like land, forests, minerals, energy, water, finance, manpower, training, education, health, housing and the like. They can hasten the setting up of infrastructure, speed up customs clearances and provide a boost to international trade.
- As watchdogs, they are capable of regulating the actions of all the players and ensuring a level playing field. They can support the good people and suppress the malefactors.
- They provide inputs to the maintenance of the macro-economic equilibrium, by controlling the total money supply, keeping inflation under check, preventing the dumping of goods by foreign competitors, taking steps to retain a positive balance of payments, adopting a national policy on manpower-related issues and so on
- They are the ones wedded to the task of defending the unity and integrity of the country against recalcitrant neighbours and misguided internal saboteurs. They promote peace, stability and tranquillity, without which no economic, social, political or creative activity can ever flourish.

Need for best brains

5.22 It is thus of the utmost importance that the best brains in the country are attracted to the public services. They should not only be motivated to enter the services but also to remain there with full professionalism, motivation and devotion to duty. This necessitates a positive look at all the major parameters of their induction and retention.

POINTS TO BE CONSIDERED BY THE PAY COMMISSION

Our approach

5.23 We have divided our approach to the problem of the public servants into four segments.

Efficiency in administration

5.24 In Section II of this Part, we look at the area of efficiency in administration. For this purpose we have to establish an efficiency programme at the highest levels of Government. The foremost task thereafter is to redefine the functional goals of each governmental organisation. There are certain services that can be contracted out to other agencies and these need to be identified. Certain areas might require a partnership between the Government and private sector.

<i>Restructuring of Government</i>	5.25	Then we look at ways and means of restructuring the Government. The work methods and work environment will need to be drastically changed. Devices like delayering have to be innovated so that there is a marked increase in the productivity of Government employees. This will involve automation and reduction of paperwork. There has to be greater openness in Government's functioning, and a more broad-based autonomy and delegation of powers to lower formations. Grievance redressal has to be quick and forthright, and a responsive system of management information has to be developed.
<i>Human resource development</i>	5.26	In Section III, we discuss the various methods of human resource development. Starting with recruitment and retention, we explore the possibility of introducing some mobility between Government and other sectors. We also look at the potential of contractual employment in Government. Training is an important facet of manpower development, while we try to find out how performance appraisal can become as objective and impartial as possible. We also review the promotion policy and other methods by which motivation levels of employees can be improved. We try to develop mechanisms to ensure a greater degree of accountability and suggest some innovative steps on transfer policy.
<i>Size of Government</i>	5.27	In Section IV, we have taken up the crucial question of optimising the size of the Government machinery. We first consider the organized services and then take major departments of railways, postal and telecommunication services, central police organisations and armed forces for detailed consideration.
<i>Conclusion</i>	5.28	It is only after discussing these crucial aspects of how we can have a competent, professional, productive, motivated band of people in the employment of the Government that we move to the other major task of devising an appropriate structure of compensation packages for them. We want to emphasize that our report should be taken as a single document and the inter-connectedness of the various elements of the report should be borne in mind while taking individual decisions. In particular, the size of the bureaucracy has to come down drastically and the public servant has to be much more productive and accountable than he is today.

सत्यमेव जयते

Establishing an Efficiency Programme

HISTORICAL PERSPECTIVE

*Administrative
Reforms in India*

6.1 It cannot be said that the realisation of the critical importance of the public service to the overall development of the country is recent. There have been several attempts at administrative reforms, starting from the Secretariat Reorganisation Committee, which submitted its report in August, 1947. The Committee suggested various steps for administrative reorganisation in the context of British withdrawal from India.

*Ayyangar
Committee*

6.2 In 1949, Gopalaswami Ayyangar submitted a Report on Reorganisation of the Machinery of Government. Besides suggesting the regrouping of Ministries, he advocated the establishment of an Organisation and Methods Division to keep a continuous watch over the performance of the administrative system and to improve the standards of efficiency therein.

*Constitution of
India*

6.3 In 1950, the Constitution of India came into force. It was by itself a fundamental instrument of administrative reforms. It laid the ground rules guiding the relationship between the citizens and the State, and the State and the civil servants.

*Gorwala
Committee*

6.4 In 1951, A.D. Gorwala submitted his Report on Public Administration in which he made a number of recommendations particularly with regard to introduction of Organisation and Methods procedures in Government departments.

Appleby Reports

6.5 Two reports which had a significant impact were Paul H. Appleby's Public Administration in India: Report of a Survey, 1953' and "Re-examination of India's Administrative System, 1956". As one of the outcomes of his 1953 Report, an O & M division was set up in 1954 in the Cabinet Secretariat. The attempt here was to effect improvement in paper management through manualisation and a system of inspections.

Section II

Promoting Efficiency in Administration



सत्यमेव जयते

<i>Second Pay Commission</i>	6.6	The Second Pay Commission (1959) recommended the pooling of the Secretariat and the attached offices into a single headquarters organisation, as also the establishment of a Whitley Council type of machinery for negotiation and settlement of disputes
<i>Santhanam Committee</i>	6.7	In 1964, the Santhanam Committee looked into the problem of corruption. Its recommendations led to the establishment of the Central Vigilance Commission and amendment of the conduct rules.
<i>Department of Administrative Reforms</i>	6.8	In the same year, a Department of Administrative Reforms was set up in the Ministry of Home Affairs and the O & M Division transferred to it. In 1965, a Bureau of Public Enterprises was set up to provide an inhouse management consultancy agency for public enterprises.
<i>Administrative Reforms Commission</i>	6.9	In 1966, Government set up the Administrative Reforms Commission under the chairmanship of Shri Morarji Desai. From 1966 to 1970, the Commission submitted 20 reports which led to many major changes. The Department of Personnel was set up, the role of the Department of Administrative Reforms was redefined, new systems of Secretariat working including the desk officer system were introduced, performance budgeting was adopted by all developmental ministries, financial and administrative powers were delegated to the maximum extent and the Bureau of Public Enterprises was strengthened.
<i>National Police Commission</i>	6.10	The National Police Commission (1977-87) examined the role and functions of the police and modernisation of law enforcement, and suggested arrangements for preventing misuse of powers by the police.
<i>Ministry of Personnel</i>	6.11	In 1985, a full-fledged Ministry of Personnel, Public Grievances and Pensions was set up directly under the Prime Minister, and a new Ministry of Programme Implementation was established to improve the overall economic management of the country.
<i>Jha Commission</i>	6.12	The Economic Administrative Reforms Commission under L. K. Jha (1983) advocated the need to move towards accountability in the positive sense, so that greater importance was given to performance than mere adherence to rules and procedures. The concept of Management by Objectives was introduced in the form of Annual Action Plans for Ministries and Departments and Memoranda of Understanding with Public Sector Undertakings. Similarly, an on line monitoring of managerial performance in infrastructure sectors was initiated.
<i>Lessons from the Past</i>	6.13	Although the many reforms introduced in the last 50 years have borne some fruit, there has been a tendency for dynamic initiatives to peter out once the prime movers behind them were removed. Thus the systems of performance budgeting, annual action plan, management by objectives, organisation and methods, memorandum of understanding etc., which started off as highly innovative responses to systemic stasis, got converted into routine, ritual exercises bereft of any meaning. Organisational reforms have tended to be more in form than in real substance, leaving little impact on the efficiency of the system. What has been lacking is a congruence between strategy, structure and substance. Indian experiments with reforms do not get institutionalised, they often fade away with the personalities who introduced them.

INITIATIVES TAKEN ELSEWHERE

International experience

6.14 The Commission had the opportunity to peruse the excellent publications titled "Current Good Practices and New Developments in Public Service Management" brought out by the Commonwealth Secretariat in respect of different Commonwealth countries. It also had the opportunity of visiting the United Kingdom, Canada, Malaysia and New Zealand in order to have a first-hand interaction with those connected with the public service reforms. Some of the initiatives taken in other countries have been discussed in the succeeding paragraphs.

THE UNITED KINGDOM

Reforms in the United Kingdom

6.15 The U.K. Civil Service consists of over half a million people. The most notable attempt to reform the Service was the Report of the Fulton Committee, but the administrative culture still remained bureaucratic. In 1979, the Conservative Government led by Margaret Thatcher sought to reduce public expenditure in order to reduce direct taxation. The view was taken that the U.K. was over-governed and it would be in everyone's interest for Government to play a smaller role. This started the drive for Civil Service reforms.

Efficiency Unit

6.16 In 1979, the Prime Minister's Efficiency Unit was created and it has typically comprised two civil servants and three seconded industrialists with a support staff of three. The Unit developed a methodology based on Scrutiny Exercises on narrowly focused and short-term studies in order to reduce expenditure and improve efficiency of a department. It is not responsible for conducting screening exercises; it is responsible for ensuring that such exercises are conducted by the departments themselves. There are twenty exercises done every year and these are stated to have produced savings of Pounds 200 to Pounds 300 million annually.

Financial Management Initiative

6.17 As the exercises recorded fundamental flaws in the Civil Service's approach to management, the Financial Management Initiative was introduced in 1982. Managers in Government departments were given responsibility for managing their own budgets. Output was measured and the cost-effectiveness of their work evaluated. Each Department was required to operate within a limit for its manpower and total running costs.

Next Steps

6.18 In 1988, the Next Steps study recommended that Executive Agencies should be established to carry out the executive functions of government within a policy resources framework approved by the Minister. Each Agency would be under the direction of the Chief Executive who would have freedom from day-to-day involvement of the Minister. By April, 1994, 60% of the civil servants were working in Agencies and other organisations operating on Next Steps lines.

Citizens' Charter

6.19 In 1991, the Prime Minister launched the Citizens Charter Initiative. This is a ten-year programme designed to raise the standards of public service. It has six key principles-setting standards, information and openness, choice and consultation, courtesy and helpfulness, putting things right and value for money.

*Lessons from the
U.K. experience*

6.20

The conditions that have been shown to be critical for the success of the programme are:

sustained political commitment to change on the part of the Government and a degree of cross-party agreement on policy principles

- pressure to secure the most efficient use of resources
- pressure to reduce the number of people in the Civil Service
- opportunities for civil servants to participate in analyzing the problems that are faced
- responsibility for implementation being firmly placed with those responsible for sustaining the changes and
- programmes of staff development directly linked to the reform programme.

NEW ZEALAND

*Reforms in New
Zealand*

6.21

In New Zealand, reforms were initiated by the Government elected in mid - 1984. Their key overall concepts were transparency and consistency, and these translated into the following organising principles for the reforms process:

The State should not be involved in any activities that would be more efficiently and effectively performed by the community or by private businesses

- Trading enterprises would operate most efficiently and effectively if structured on the lines of private sector businesses
- Departments would operate most efficiently and effectively with clearly specified and non-conflicting functions, particularly with policy and operational functions separated, and with commercial and non-commercial functions separated
- Departmental managers would perform most effectively if made fully accountable for the efficient running of their organisations, with the minimum practicable central control of inputs
- The quality, quantity and cost of products offered by the State departments should be determined by the purchaser's requirements rather than the producer's preferences.

*Legislation
passed*

22

legislation:

These principles were reflected in three important pieces of

- The State Owned Enterprises Act, 1986 which provided the basis for converting the old trading departments and corporations into businesses along private sector lines
- The State Sector Act, 1988 which made departmental chief executives fully accountable for managing their organisations efficiently and effectively
- The Public Finance Act, 1989 which changed the basis of state sector financial management from a focus on inputs to a focus on outputs (the relevance and effectiveness of actual products) and outcomes (the overall results of the outputs from the Government's point of view).

Structural reforms

6.23

The reforms process had four main stages as under:

- As part of the structural reform large departments were abolished and most of their functions assumed by State-owned enterprises. Many of these were subsequently sold and most of the remaining enterprises are viewed as potentially marketable. The State has almost entirely withdrawn from direct involvement in trading enterprises
- Departmental restructuring began in 1985, to rationalise the functions and shape of the core public service, and moving much of the service delivery functions to a new tier of non-departmental entities called 'crown entities'.
- In 1988, Government began a major restructuring of the education sector. Local education boards were abolished and their functions transferred to elected boards of trustees. Similarly, health authorities have been replaced by appointed regional health authorities with funding responsibilities and Crown health enterprises operating commercially as service providers.

In 1988, chief executives became individually accountable to the ministers, through limited term contracts which were performance-related. The role of the State Services Commission changed from employer of all public servants to employer of the chief executives.

Review of the programme

6.24

A review of the reforms programme in New Zealand shows that three aspects have been extremely successful. Transparency in the activities and processes of the State, the liberation of managers from central input controls, and the new financial management and accounting systems are revolutionising the way in which departments and officials work. New Zealand's economy has recovered, its audit rating has been regraded upwards, inflation has been reduced to less than two percent and employment has been growing steadily. The 1993 World Competitiveness Report ranked New Zealand first in quality of government and second on business community optimism.

*Lessons from the
New Zealand
experience*

6.25 The New Zealand experience suggests that there are seven key elements to a successful reforms process. These are:

- unflinching political determination
- very clear objectives, agreed at the highest levels, and based on an intelligent appreciation of the community's tolerances
- 'a set of comprehensive and well-integrated basic principles, agreed at the highest levels
- sound legal architecture that re-defines the rules outright
- a demanding but realistic time-table
- a core of unified, highly motivated, experienced and imaginative senior public servants, provided with sufficient resources and discretion to manage implementation; and
- very effective information and public relations systems.

MALAYSIA

*Administrative
reforms in
Malaysia*

6.26 In Malaysia, the Government established the Development Administration Unit (DAU) as a centre for administrative reforms in 1966 and six years later the National Institute of Public Administration (INTAN) was set up to develop skills and expertise among public sector employees. The Malaysian Administrative Modernization and Management Planning Unit (MAMPU) was set up in 1977 under the Prime Minister's Department, to initiate administrative changes and innovations to the Public Service. Some of the important measures introduced during the eighties included the downsizing of the Public Service through privatization, the introduction of the Malaysian Incorporated Concept and the inculcation of positive values and work ethics. Efforts were also made to improve the quality of counter services as also to streamline systems and procedures.

Vision 2020

6.27 In February 1991, the Prime Minister of Malaysia unveiled his Vision 2020, which states the national aspiration to attain a fully industrialised and developed nation status within the next three decades. This vision can be achieved only if there is an excellent Public Service to meet the challenges of rapid development in a constantly changing environment. The Public Service has identified seven fundamental values which are deemed necessary for this purpose. These are quality, productivity, innovativeness, discipline, integrity, accountability, and professionalism.

Quality

6.28 In November, 1989 the Government launched a nation-wide Excellent Work Culture Movement which stresses quality as the foundation for success. The Public Service adopted Total Quality Management in order to create customer-focused organisations capable of delivering quality outputs and services to customers. Agencies were advised to form Quality Control Circles as an effective mechanism to mobilise expertise, experience and employee creativity in

effective mechanism to mobilise expertise, experience and employee creativity in problem-solving. The Malaysian Incorporated Policy is based on the underlying philosophy that collaboration between Government and business is essential for accelerated national competitiveness in the global marketplace. The Government has also adopted the Clients' Charter which ensures that each Government agency provides a written commitment to its customers that goods and services will comply with declared quality standards.

Productivity

6.29 The Public Service places equal emphasis on productivity. The Government has identified eight critical factors which influence productivity. These are manpower, systems and procedures, organisation structure, management style, work environment, technology, materials and capital equipment. Productivity measurement and evaluation is also part of the improvement effort. Various steps have been taken to introduce better file management, work simplification, form design, office automation, information technology, etc.

6.30 The professionalism of the civil servant has been further enhanced with the introduction of the New Remuneration System. This involves major changes to the organisational structure, remuneration and reward system, and terms of service. This has resulted in creating a cadre of innovative, creative and talented employees who have readily embraced a work culture that emphasises performance, quality and productivity.

Strategies for success

6.31 Five main strategies have been adopted to ensure the successful implementation of administrative reforms. These include consensus building, documentation and information dissemination, training, follow-up and follow-through, and recognitions and awards. The reforms are coordinated at the highest level by the Panel on Administrative Reforms to the Civil Service which is chaired by the Chief Secretary, and acts as a think-tank and prime mover. Consensus is also built through discussions in four major permanent committees of Public Service top management comprising Secretaries General of Ministries, Heads of Services, Heads of Federal Departments, representatives of State Governments and Chief Executives of Statutory Bodies.

Political support

6.32 A major reason for success is the personal interest shown by the top political leadership, especially the Prime Ministers of Malaysia who have been the leading propellants of reforms.

CANADA

Public Service 2000

6.33 The starting point for the Government of Canada's journey on the road to administrative reform is the process entitled "Public Service 2000". This was mainly the effort of the federal public service itself. Although it had political interest and support, it was not closely directed and actively managed by the politicians. Thus it does not bear the imprint of a particular political agenda as in some other countries.

Key Themes

6.34 Public Service 2000 staked out some key themes. The Public Service must strive to provide a high quality service and increase client satisfaction. The Public Service must become more engaged, more open, more visible and more consultative. Public Service managers must create organisations in which people

more heavily in the development of its people. It must reduce the burden of internal controls so that intelligent, well-motivated managers have greater latitude to improve service quality and client satisfaction.

*Initiatives
taken*

6.35 Among the initiatives to improve service quality is the establishment of an inter-departmental quality network and an attempt led by the Treasury to establish service standards for all departments. The reduction of central agency constraints is being addressed by increased delegation of authority for human resource management to departments, and for financial management through the mechanism of Operating Budgets and increased flexibility at the end of the fiscal year. Special Operating Agencies have been created to give service units within departments direct responsibility for results and increased managerial flexibility. Even in an era of fiscal constraint, the Government has been increasing its investment in the people who constitute the public service. A new special operating agency called Training & Development Canada has been created and the Canadian Centre for Management Development established to focus on the needs of the executive level. Employing new information technology is emerging as a key way of achieving objectives such as improving service and reducing cost.

*Future of reforms
in Canada*

6.36 There are several reasons to believe that the process of public service reform will continue for many years. First, there is a major economic problem that gives it urgency. As a result of very substantial budgetary deficits in the last two decades, Canada finds itself in the uncomfortable position of being a major international debtor. Thus there is a demand for major reductions in the operating cost of the public sector. Secondly, Canada has always been in the forefront of advances in communications technology. The Canadian public sector will draw upon this expertise to apply leading-edge information and communication technology to the provision of public services. The final factor is the commitment of public servants to reform. The values that Public Service 2000 has espoused are taking root within the culture of the public service in Canada, at all levels of government.

ESTABLISHING THE NEED

6.37 Looking at the experience elsewhere, it is apparent that there is a world-wide movement for public service reform. We have seen that their success depended initially on the firm commitment to reforms at the highest level. Such reform can come about in India only when there is an appreciation that launching an efficiency programme is critical for the socio-economic development of the country. This realization has to come at the highest political level and nothing short of a personal commitment of the Prime Minister himself will do. It has also to be realized that this is not a political issue. Thus a national consensus needs to be developed, cutting across party lines, so that the process of reform once initiated is not allowed to peter out merely because of a change of Government.

DEVELOPING THE APPARATUS

6.38 Once the overall commitment is forthcoming, what is then required is an apparatus which will spearhead the reforms and constantly monitor it. For this purpose, the following steps need to be taken :

The Department of Administrative Reforms should become the most important Department of the Central Government. It should be headed and manned by the most brilliant and outstanding officers available in Government.

- It should be a separate Department headed by a senior Secretary.
- The Department should cease to be an adjunct of the Department of Personnel and may be placed directly under the Cabinet Secretary and the Prime Minister.
- There should be a Cabinet Committee on Public Service Reforms, which should meet once a month. It should consist of the Prime Minister, Finance Minister, Home Minister, Defence Minister and the Cabinet Minister incharge of Public Service Reforms. This Committee should take final decisions on proposals put forth by the Committee of Secretaries and Chief Secretaries.
- There should be a Committee of Secretaries on Public Service Reforms under the chairmanship of Cabinet Secretary. It should meet once or twice a month, as may be warranted, to consider specific proposals of administrative reforms.
- Another Committee of Chief Secretaries should meet once a quarter under the chairmanship of Cabinet Secretary to review and monitor the public service reforms in the States.

Approach to reforms

6.39 With this apparatus in position, a step-by-step approach to public service reforms should be adopted as follows

- The Core functions of Government should first be defined
- The distribution of work between the three tiers of governance will have to be restated
- The number of Central Ministries and Departments should be reduced drastically
- The size and constitution of Central Ministries and Departments should be redefined in order to fit them for their newly stated roles
- All functions that should be performed by the State Governments and Panchayati Raj institutions may be transferred to them
- All functions that do not involve formulation of policy should be delegated to agencies, which may be public sector enterprises, autonomous bodies or cooperative institutions

- **Recruitment to the different services may be reduced**
- **There should be a sound legal architecture that redefines the rules outright**
- **The Government office itself will need a heavy dose of restructuring**
- **The financial management and budgetary system will have to be totally re-written**
- **There will have to be a simplification of procedures and formulation of accountability norms in Government.**

A time-table for action

6.40 Above all, there is need for a demanding but realistic time-table for achieving the major objectives of the reform process. There will have to be some short-circuiting of procedures, some ruthlessness in implementation and some strategy for management of change. This will try to the utmost Government's skills in dealing with the opposition parties, the unions and associations of Government employees, the press and the general public. But if there is a basic sincerity of purpose and a strong determination at the very top, tangible results can be shown in two to three years.



Re-defining Functional Goals

INTRODUCTION

7.1 The efficiency programme has to start with a redefinition of the functional goals of Government. Unless the objectives of governance are made clear and specific, there will always be a tendency for expansion of the bureaucracy in accordance with the inexorable Parkinson's Law.

*Historical
background*

7.2 There was a time when governments were instruments of political power and their main function was to maintain law and order inside their territories and to defend their boundaries against external aggression. Over time, there was an enhancement of the role under the influence of welfare, Keynesian and Marxist ideologies, till the State threatened to become an overbearing presence, exemplified by the 'Big Brother is watching you' syndrome. The last two decades have seen a reversal of the trend, mainly due to the burgeoning budgetary deficits, forcing governments of all persuasions to cut back on staff, subsidies and functions.

7.3 In India also, the same trend exhibited itself. In the fifties and sixties we were trying to find a middle way between the Soviet and the Beveridge models and this gave rise to the 'socialistic pattern'. Later, nationalisation combined with de novo establishment of public sector enterprises became the buzzword and PSUs occupied an increasingly large area of industry and commerce. The fiscal indiscipline of the eighties finally led to the ignominious crash of 1991 and to the reversal of the trend.

*Proliferation
of departments*

7.4 Proliferation of departments is a sure index of the widening net of the Government. Against only 35 ministries and departments in 1902, we had 50 in 1972 and there are 81 ministries and departments at present. Despite the economic reforms, in 1995 we had the unedifying spectacle of five new departments being set up at the Centre. Industry, which is already fragmented into several departments, got an off-shoot with 'industrial policy and promotion' being separated out. Urban Development Ministry carved out a separate area of 'urban employment and poverty alleviation' and so did the Ministry of Rural Development branch off into 'rural employment and poverty alleviation'. A Department of

Animal Husbandry was set up in the Ministry of Agriculture and a Department of Consumer Affairs in the Ministry of Civil Supplies.

CONCEPTS AND METHODOLOGY

*Activity
analysis*

7.5 All this is a result of confused and woolly thinking. Instead of only looking for political slogans or how new slots can be created for ministers and secretaries, we have to start by asking ourselves the following basic questions about any particular activity :

- Does the job need to be done at all ?
- If so, does the Government have to be responsible for it ?
- If so, which level of Government ?
- If it is the Central Government, does it have to carry out the job itself ?
- If so, is the organisation properly structured for the job ?

7.6 If a Group of Three, who combine in themselves objectivity, knowledge and dynamism, look at the Central Government with the above questions in their mind, the answers will stare them in the face.

CONSULTANCY REPORT

*Classification
of Government
offices*

7.7 The report of the Tata Consultancy Services have suggested a three-fold classification of Government offices, on the basis of the role performed by them. They can be Core, Participatory or Auxiliary.

Core : The offices under this category perform roles which are given by the Constitution, which Government has to perform at all times, which are governed by societal expectations and where the Government has exclusive responsibility to deliver social goods and services. Examples are : Atomic Energy, Science and Technology, Space, Defence, External Affairs, Finance, Forests, Home, Law, Planning and Rural Development.

Participatory : These cover areas where the Government has both a policy making and enforcement role but private and public sectors are allowed to participate in delivery of goods, where the Government has responsibility of ensuring a desired level of delivery of services through direct or indirect intervention in the sectoral markets and industry, and where Government has a responsibility towards production and trading of goods and services. These may include Coal, Education, Health and Family Welfare, Energy, Petroleum, Steel, Chemicals and Fertilizers, Industry, Information and Broadcasting, Railways, Surface Transport, Telecommunications, Posts, Urban Affairs and Civil Aviation.

Auxiliary Here the Government has only policy making responsibility but not for delivery of goods and services, or Government may enter for regulation of markets, trade practices etc. Examples are Art and Culture, Food Processing, Sports, Tourism, Consumer Affairs, Labour, Water Resources, Wasteland Development and Textiles.

Validity of concepts

7.8 The above classification is highly arbitrary and simplistic, and there is scope for endless refinement both of the definitions as well as the list of Ministries which fall under one or the other category. The main point to appreciate is the need to undertake such an exercise so as to be clear about what has to be done by the Central Government itself, where it has to regulate and participate and where it need act only as policy maker and arbitrator.

7.9 Even within the Core category, the functional goals need to be sharpened further. Let us take defence which is definitely one of the key functions of the Central Government. We are left with a lingering impression that the threat perception as perceived by the Government as a whole after looking at the political, diplomatic, military, strategic and economic aspects has not been clearly articulated, to enable the armed forces to develop a long-term manpower policy perspective. This is a blatant example of fuzziness in our perception of functional goals. Such examples can be multiplied.

Mission statements

7.10 At the level of individual organisation, what is required is a mission orientation which provides clear and understandable goals fully owned by the senior management and accepted by the operational staff. The purpose of establishing a mission orientation is to :

- clarify the goals of the organisation in the mind of the management
- clarify for staff the purpose of their jobs in meeting organisational goals
- make clear the policy of the Government to ensure that it is interpreted accurately by staff
- engender pride in belonging to the organisation
- provide targets to aim for, against which results can be assessed.

Preconditions

7.11 The basic pre-conditions for this are :

- understanding customer needs
- top management commitment to goals expressed in the mission statement
- clear grasp of mission concepts by management and staff
- full explanation and training to staff

CONCLUSION

7.12 A study of the experience of other countries underlines the importance of redefining functional goals, both of Government as a whole as also of each governmental organisation in particular. The concept of mission statement is an effective tool in this process and is recommended for adoption.



Contracting out of Services and Privatisation

INTRODUCTION

8.1 The rightsizing of Government and the structural reform of the bureaucracy can get off to a flying start if the Government decides to privatise both public sector undertakings as also departmental enterprises within a strict time-frame, while at the same time contracting out many of its own activities to the private sector.

EXPERIENCE OF OTHER COUNTRIES

8.2 International experience suggests that the areas of privatisation and contracting out of services are very fertile and yield a rich harvest in terms of a diminished governmental presence in the life of a citizen, a reduction in the draining out of public funds in a vain endeavour to bolster sick public enterprises, improved and more cost-effective services to customers and better value for money.

*United
Kingdom*

8.3 In the United Kingdom, the Government departments use market-testing to assess whether the services for which they are responsible can best be delivered in the public sector or the private sector. The objective is to promote fair and open competition and find the supplier of a service whose combination of price, quality and other factors offers the greatest value for money in the long term.

8.4 In general, activities which have been found to be particularly suitable for market-testing are of the following types :

- resource intensive
- relatively discrete
- specialist or support services
- subject to fluctuating work patterns
- subject to a quickly changing market

- subject to rapidly changing technology

8.5 The White Paper 'Competing for Quality' (1991) set out the Government's plans to achieve better value for money, in particular by opening up more public services to competition from the private sector, while making it clear that Government had no dogmatic preference for private or public provision of services.

8.6 Candidates for market-testing are identified by each department by asking the following questions :

- Is the function or activity essential ? What are the implications of not doing it? Or of doing it in a reduced or combined form elsewhere ?
- Can the activity be performed more economically by other means
- What is the full cost of the level of service presently provided and that which is considered necessary ?
- Is the function or activity organisationally discrete ?
- What are the working methods, organisation and use of capital assets ? What use is proposed of existing staff and assets ?

8.7 The attempt is to define the user-need for the service and to establish the cost of the existing service. A specification for the service is drawn up and this is part of the invitation to tender. The providers of the current service are encouraged to submit an in-house bid. Eventually, the line management decides on whether the service should be retained in-house or contracted out.

New Zealand

8.8 In New Zealand, the mechanism developed to facilitate the divestiture of the state trading agencies was the State Owned Enterprises Act of 1986. The process of economic liberalisation led to a major restructuring of the public sector, first through corporatisation and in many instances subsequently through privatisation. Government owned enterprises in fields such as banking, forestry, insurance, transport, communications and broadcasting were transformed into corporate entities and were later fully privatised.

8.9 The move to corporatise organisations was consistent with the Government objective to open up many sectors of the economy to internal and external competition. State-owned enterprises were now statutorily required to operate as successful commercial business and emulate the efficiency and profitability of their private sector counterparts. If Government wanted such an enterprise to provide a non-commercial service, it had to contract to do so. These enterprises were expected to fund their spending from unsubsidized private sector capital sources and to pay taxes and dividends.

8.10 For the privatisation process, no standard formula was applied. A range of routes and methods was adopted, depending on conditions in the market place, fiscal considerations and political factors. They tended to follow two routes:

- an equity route where shares were sold in clearly defined commercial organisations
- an asset route that entailed selling of assets because of the less commercial nature of the organisation.

8.11 The process of privatisation proved more controversial than corporatisation. Particularly in the initial years, mistakes were made in privatisation before the Government and the public service gained experience. In the privatisation of assets, as long as safeguards were installed, there was no restriction on foreign ownership. Although most of the large scale privatisations involving organisations such as Telecom, New Zealand Rail and Air New Zealand have been completed, privatisation is an ongoing process.

Malaysia

8.12 The privatisation policy of Malaysia has been introduced in order to relieve the administrative and financial burden of Government and to improve efficiency and productivity. It was first announced in 1983 and the first stage consisted of dissemination of information to the public. Guidelines on privatisation were published in 1985 and the Privatisation Master Plan was launched in 1991.

8.13 The privatisation programme can be implemented in a number of ways. These are :

- sale of Government assets or equity or sale of Government companies' equity, whether in part or whole
- lease of assets for a specified time period
- management contract which uses management expertise of the private sector to manage Government entities
- Build-Operate-Transfer or Build-Own-Operate systems, generally used for new infrastructure projects and public facilities. Under this method, the public facility is built by the private sector using their own finances and is run by them during the period of concession, at the end of which it is surrendered back to the Government

8.14 The planning of privatisation is done in the Economic Planning Unit of the Prime Minister's Department and involves the identification of privatisation candidates. In-depth studies are undertaken and these lead to two-year rolling action-plans. An interdepartmental committee on privatisation discusses the plan and, after the approval of the government, evaluates the various possible modes of privatisation.

8.15 These are Government-initiated privatisation projects and therefore subject to competitive bidding. But there are also private sector-initiated proposals which are evaluated and if found to be acceptable, an award is made by the ministry concerned. Further, the private sector is allowed to initiate projects not yet identified by Government, provided that their proposals contain unique features by

offering a unique solution to an economic problem or by using the exclusive patent rights or technical know-how of a particular party.

8.16 The efforts at privatisation have been very successful, as they have not only reduced the administrative and financial burden of the Government but also enhanced the efficiency and productivity of the privatised entities. In Malaysia, therefore, the implementation of the privatisation programme will continue to be accelerated.

POLICY PERSPECTIVE FOR INDIA

8.17 In the light of the international experience as also the peculiar genius of Indian institutions, a comprehensive policy perspective for corporatisation, privatisation and contracting out of services needs to be drawn up. Some sporadic efforts have been made by individual departments but there has been no conscious policy thrust initiated and monitored at the highest levels of Government. The general parameters of such a policy perspective could be the following :

a) **Corporatisation :**

No activity which involves manufacturing of goods or the provision of commercial services should be undertaken by a Government department. All such activities should be transferred to existing public sector undertakings or new PSUs be set up to look after them. Outstanding examples are ordnance factories in the Ministry of Defence, mints, currency presses and opium factories in the Ministry of Finance, rail coach factories in the Ministry of Railways, telecom factories in the Department of Telecommunications etc.

Corporatisation could also be a necessary half-way house on the road to privatisation. There are certain advantages of privatisation which can be achieved through corporatisation, and corporatisation is always less controversial than privatisation.

b) **Privatisation of activities where Government does not need to play a direct role**

There are a number of areas where Government, either directly or through its PSUs, has been compelled to play a role. If an objective and dispassionate review reveals that such a role is unwarranted, Government should take expeditious steps to disentangle itself from the same.

Examples of such areas abound. The National Textile Corporation need not be a PSU. The clothing and vehicle factories in the Ordnance Factories Board can be privatised with advantage. All printing presses, dairy and other farms of the Ministry of Defence, Telecom Factories, Delhi Milk Scheme, Mail Motor Service, sale of postal stationery, stamps and

postal orders. Song and Drama Division of the Ministry of Information and Broadcasting etc. are outstanding candidates for privatisation.

c) **Activities which should continue to be the exclusive responsibility of the Government**

There are activities like defence, atomic energy, space, development of railway infrastructure, provision of security to sensitive installations and so on which have to be the monopoly of the Government. These should continue to be so. All we can do is to explore possibilities of linking the private sector as a source of raw materials, components, sub-assemblies and even some non-sensitive finished products.

d) **Areas which should retain the mixed economy concept, but with greater competition**

We should identify clearly those areas of the economy where for reasons of public welfare it is not desirable either to keep them exclusively in the public sector or in the private sector. The private sector should play an increasingly active role in these areas, but there should be a substantial presence of the public sector so as to ensure that quality services are provided at reasonable rates to members of the public.

Such areas would include road, rail and air transport, telecommunication services, banking, insurance, power, medical and educational services, courier services, construction and maintenance of defence aircraft, ships, tanks and other equipment, production of blank coins for mints etc.

e) **Contracting out of services**

There is a widening area of services which are currently being performed in-house in the Government, but which can be conveniently outsourced to the private sector.

These may include designing, construction and maintenance of Government buildings, factories, workshops, residential colonies, railway stations, equipment and transport, cleanliness, sanitation and housekeeping, maintenance of monuments, lawns and gardens, catering (including catering in airlines, trains, canteens), provision of transportation services (to replace the fleet of staff cars), postal deliveries, carriage of mail, security of all non-sensitive buildings and installations, reservations in railways and airlines, printing, reprography, photography, audio-visual publicity, translation, interpretation, computer-related services, maintenance of accounts etc.

*Routes for
privatisation*

8.18 As far as privatisation is concerned, this can also take a variety of routes as in other countries -

There could be straight disinvestment of Government equity in public sector enterprises

- Lease of assets could be tried out
- In certain areas, management contracts could be given to private companies
- There could be private participation for improvement of a public service
- We may also try out the Build-Operate-Transfer kind of schemes, so that the assets revert to the Government after the private company has realised its investment

INITIATIVES ALREADY TAKEN IN INDIA

8.19 Several initiatives have been taken in the wake of the recent economic reforms. Some of these are :

- (i) The Build-Own-Lease-Transfer (BOLT) scheme has been launched by the railways in order to attract private finance in railway projects on leasing terms. At the end of the lease period assets are transferred to the Railways on a nominal payment. Efforts are being made to attract private capital for manufacture of rolling stock, gauge conversion, doublings, electrification, telecommunication etc.
- (ii) An Own Your Wagon scheme has also been initiated for investment by rail users in acquisition of wagons by the Railways in return for assured allotment of wagons and lease charges to be paid by the Railways.
- (iii) Maintenance of railway stations and colonies are being tried out for privatisation.
- (iv) All future catering in trains is being sourced out to private contractors.
- (v) Printing of postal stationery has been partly privatised.
- (vi) A scheme of Licensed Postal Agencies existed upto the late eighties but there were complaints of misuse of authorisation and opposition from the Staff Federations.
- (vii) Carriage of mail through private and public transporters has been successfully undertaken for several decades in rural and semi-urban areas.
- (viii) In the Department of Telecom, value added services and cellular phone sector has already been privatised fully.
- (ix) Several departments have contracted out sanitation, maintenance, security, computer, reprography, canteen and transport services.

- (x) Some military dairy farms have been closed down.
- (xi) MES contracts out its building works and has started giving out maintenance work also to private contractors.
- (xii) Several ordnance factories are buying components from the private sector.

*Disinvestment
Commission.*

8.20 Some progress has also been made in respect of disinvestment of Government equity in PSUs. Disinvestment was first conceived primarily as a method for reducing the fiscal deficit, but it got bogged down in controversies. Recently, the Government has set up a Public Sector Disinvestment Commission which is expected to suggest a comprehensive overall long-term disinvestment programme for about forty PSUs referred to it by the Core Group. It will prioritise the PSUs in terms of the overall disinvestment programme, recommend the preferred mode of disinvestment (domestic capital market/international capital market/ auction/private sale to identified investors/ any other mode), suggest the appropriate mix between primary and secondary disinvestments, advise Government on possible capital restructuring of the enterprises etc.

8.21 Present trends indicate that Government may concentrate, in the short run, on reforming the PSUs by grant of greater autonomy and flexibility, greater delegation of powers, introduction of greater accountability by means of performance-related pay and a system of hire and fire and other similar measures. The issue of transfer of ownership of these enterprises may get deferred.

8.22 Whatever the shape disinvestment may take, observers feel that it would be good for consumers as the Government will relax such controls on private enterprises as had been imposed in order to protect the public sector enterprises from competition.

CONCLUSION

*Role of trade
unions*

8.23 It will be apparent from the above discussion that although some steps have been taken towards corporatisation, privatisation and contracting out of services in India, these have been ad hoc, unsystematic and halting. What is required is a clear and comprehensive policy in this crucial area, so as to progressively reduce the role of the public sector in the industrial and commercial activity of the nation. There are bound to be hurdles on the way. The main opposition will come from the trade unions and associations. They will have to be handled with care and circumspection. There may be a need for a new policy on the formation of trade unions, on the pattern of what has been attempted in other countries. Workers will also have to understand that in the perspective of globalisation, we have to compete or perish.

*Need for
transparency*

8.24 The other problem would be to keep the process of disinvestment and privatisation as transparent as possible, so as to obviate the criticism of partisanship and malfeasance. Even in advanced countries these have attracted virulent controversies and India can be no exception.

8.25 Lastly, we have to keep the public interest paramount in our minds. Privatisation should not become a fad, as nationalisation had become at one stage. We should choose the private sector, the public sector or a mix of the two, according to the nature of the commodity or service to be produced and the only touchstone should be that the ultimate customer should get the best value for his money on a long-term basis in as competitive a market as is humanly possible.



Restructuring the Government

INTRODUCTION

Reinventing the Government

9.1 The entire machinery of Government has got to be reinvented. This is a mammoth task. It is not possible for us to go into the details of the restructuring exercise that such a reinvention would entail. In this chapter, we would like to take up the Ministries of the Central Government as an example and demonstrate how the restructuring could help.

Expansion in the bureaucracy

9.2 We had 8 posts of Secretaries, 18 departments and a total workforce of 14.40 lakhs in 1948. Today, we have 92 Secretaries, 79 departments and a workforce of more than 41 lakhs. No doubt, the work has expanded, but the expansion of the Government is disproportionate to the increase of workload.

Earlier attempts at restructuring

9.3 There have been many attempts at reforming the Central Government. Some of these are

- setting up of Organisation and Methods Divisions in the Ministries.
- setting up of a Department of Administrative Reforms
- setting up of a Department of Personnel, Public Grievances and Pensions
- setting up of Staff Inspection Unit
- introduction of Desk Officer system
- introduction of Financial Adviser system
- introduction of Annual Action Plans
- introduction of Performance Budgeting

CONSULTANCY STUDIES

- 9.4 We had awarded two studies on restructuring of the Government to IIT, Delhi and Tata Consultancy Services.
- IIT, Delhi* 9.5 The IIT, Delhi identified the major objective of restructuring to be goal achievement and service orientation, through flexibility and efficiency. The restructuring options involved interventions at the level of situation, action and process. At the level of situation, the physical environment, the operating environment and the socio-cultural environment was to be changed. At the actor level, both systemic and attitudinal changes were required. At the process level, the interventions related to operational processes and strategic processes.
- Interventions suggested* 9.6 For Phase I, the interventions found feasible at situation level were : conducive physical working conditions; openness to environment; federalism; delayering; and decision-oriented system. At the actor level these were: training for multi-skilling; involvement in clarifying goals and objectives; quality and work consciousness; sense of dignity and individuality; promoting self-help; and receptivity to technology-based solutions. Process level options identified were: simplifying system of checks and balances; horizontal communication processes; minimal and appropriate reporting and documentation; upward feedback processes; privatized support services; reorienting strategically to liberalize; shedding functions to affiliated autonomous bodies; installing learning processes; reengineering work flows and continuous change in work processes.
- The office of the future* 9.7 The findings of the study point towards a decision-oriented, facilitative, flatter, flexible, Information Technology supported, participative and elegant Government office effectively achieving goals with service and client orientation.
- TCS Study* 9.8 The TCS categorized various Government offices into three broad types - Core, Participatory and Auxiliary. Based on the decision-making matrices in these offices, the study concluded that one of the major changes in the organisational structure was to reduce the levels in the hierarchy from nine to seven. A flatter hierarchy would ensure speedy decision-making and be able to respond quickly to the demands of the environment.
- 9.9. The levels proposed were :
- Chief Executive
 - Senior Executive
 - Middle Executive
 - Junior Executive
 - Supervisory
 - Assistant
 - Support/attendant
- Grades and levels* 9.10 Eighteen grades were proposed in these seven levels. The grades within a level would only be for promotional purposes and not form a hierarchy for reporting. The promotional channels were increased to provide

career growth for the employees. Thus the hierarchial levels were delinked from promotional grades

*Decision-making
more important*

9.11 The study laid emphasis on decision-makers rather than on assistants. It proposed that each section within a department should have just one Assistant - level position. Decisions should be hastened, and files and papers should be disposed of at the level to which they were addressed.

*Utilisation of
redundant staff*

9.12 The support staff that would be rendered redundant could be utilised in the following manner:

- by training them in computer applications so that Government departments could redeploy them in those functions
- by transferring them to new activities or projects, after giving them adequate training in the new skills.

*Three fold
restructuring*

9.13 The TCS study considered restructuring in three streams. The first was organisational structure. The second was a comprehensive human resource development system to achieve greater efficiency, responsiveness and productivity, and to bring in sustainability in the organisation. The third concentrated on the two major office systems - record management and dak system, office equipment, information technology and work environment.

9.14 In this chapter, we shall concentrate on the first stream viz. organisational restructuring in the context of the Ministries and Departments of the Central Government.

OUR PROPOSALS

*The three basic
questions*

9.15 The first exercise we must have is to survey the entire gamut of Governmental functioning and ask the three usual basic questions :

- Does this need to be done ?
- Does this need to be done in Government ?
- Does this need to be in the Central Government?

*Things that need
not be done*

9.16 The answers to these questions, if attempted in an objective and dispassionate manner, will show that some activities need not be undertaken at all. For example, we do not need the large and expensive memorials which have taken up so much of prime land and building space besides involving heavy recurring expenditure. The moment we identify this as an activity that should be stopped forthwith, a number of action points emerge.

*Things that need
not be done by
Government*

9.17 In the second category, we may conclude that bread, milk or condoms need not be manufactured in Government. In the third category, we may decide that 90% of our effort in education, health, agriculture, law and order etc. should be with the State Governments. Our honest replies to the basic questions will show us the areas in which restructuring can yield rich dividends.

<i>Number of Ministries</i>	9.18 One of the basic objectives of restructuring is reduction of staff. It is best to begin with the topmost category of Secretary. There is a general feeling that we have too many Secretaries to the Government of India. Health is a State subject. Do we really need three Secretaries in the Ministry of Health, looking after Health, Family Welfare and Indian System of Medicine? We would like to recommend that there should be just one Secretary for the whole Ministry.
<i>Ministry of Industry</i>	9.19 Similarly, industry is a State subject. We have separate departments of Industrial Policy and Promotion, Industrial Development, Public Enterprises, Heavy Industry, Small Scale Industries, Agro and Rural Industries and Textiles. With the reduced emphasis on licensing, one Secretary could look after all these subjects in a single Ministry.
<i>Suggestions on merger of departments</i>	9.20 Similarly, it does not seem necessary to deploy a Secretary each for Animal Husbandry, Inter State Council, Official Language, Programme Implementation and the like. We have appended a small list at Annexe 9.1, suggesting some realignments of departments.
<i>Size of a Ministry</i>	<p>9.21 The most major restructuring effort would be in determining the size of a Department or Ministry. The general formula that we would like to suggest in this regard is the following:</p> <ul style="list-style-type: none"> - If it is a Core Central subject, we may not take it up in the beginning - if it is a Core State subject, it cannot be a Core Central subject too. In that case it should be high on the list of Ministries to be reduced in size - as we move away from Core subjects to Participatory or Auxiliary subjects, the need for sizeable Ministries becomes more and more questionable. Such Ministries should be axed first of all.
<i>Organisations attached to Ministries</i>	<p>9.22 Ministries have certain organisations or activities which may either be an integral part of the Ministry, or an attached or subordinate office. Very often, such organisations have no business to be in Government. They would be much better managed if they were in the public sector, the cooperative sector or as an autonomous body. Just one example of each type will suffice to clarify the point being made:</p> <ul style="list-style-type: none"> - Ordnance Factories would be better managed as PSUs - Delhi Milk Scheme would be better off under the NDDB - The Central Institute of English, at Mysore would be best managed if it were an autonomous body
<i>Delaying</i>	9.23 Coming to the organisation of a typical Department of a Central Ministry, we would like to recommend delayering as an antidote to delay. There should be a general rule that no file would be allowed to travel to more than three hierarchical levels before a decision is taken. The TCS study has hinted

separately approved a modified version of the hierarchy suggested by TCS as under

- Top Executives
- Senior Executives
- Executives
- Supervisory Staff
- Supporting Staff
- Auxiliary Staff

*ACP and
delaying*

9 24 Thus there will be only six levels in the hierarchy. The TCS have suggested that promotions to grades within a level should be for purposes of financial benefit, but need not have any relationship with a higher decision-making level in the hierarchy. We have adapted the TCS recommendation to provide for the Assured Career Progression Scheme, by which all non-executive cadres will receive two financial upgradations on a time-bound basis while executives will benefit from three such financial upgradations. The ACP has been designed to delink hierarchy from financial upgradations, and should therefore help in delaying of the Governmental set up.

Level jumping

9 25 Another method of quick disposal, which is quite related to delaying, is known as level jumping. Here there is conscious attempt to bypass rungs in the hierarchy. As early as September, 1968 the Administrative Reforms Commission recommended that there should be only two levels of consideration and decision below the Minister viz. (i) Under Secretary/ Deputy Secretary and (ii) Joint Secretary/Additional Secretary/Secretary. This observation led to implementation of a scheme of direct submission of cases by senior Assistant's to Branch Officers in 1974. In 1978, the scheme got a push when it was said that a case should either be seen by an Under Secretary or a Deputy Secretary/Director but not by both. The concept of level jumping, though known in Government, has not been effectively implemented so far. What is required is a firm guideline that at the executive level, the third level should be the last, where a decision is taken.

*Desk Officer
Concept*

9 26 A major piece of organisational restructuring was the enunciation of the Desk Officer concept. The attempt here was to convert the Central Secretariat into an officer-oriented system. The Desk Officer system was introduced in January, 1973 in selected wings of Ministries where at least 40% of the work related to strategic policy making, planning and problem solving. Each desk comprised two officers of the rank of Under Secretary or Section Officer or both. The Section Officer submitted cases directly to the Deputy Secretary, while the Under Secretary submitted his files direct to the Joint Secretary. The idea was to abolish the Section, which has too much of supporting staff in the shape of assistants, UDCs, LDCs, Daftaris, Peons etc. The aim was to reduce the number of levels by at least two, to reduce the accent on noting and to lay stress on oral discussion, to foster greater participation in and commitment to organisational goals among officers at the base of the Secretariat structure. Each desk was given a well-defined area of functioning. SOs appointed as Desk Officers were allowed to authenticate orders and sanctions in the name of the President and to dispose cases on their own responsibility.

*Why it has not
made headway*

9.27 Currently, there are 1816 Sections and 427 Desks in the Government of India. The Desk Officer system has not made much headway due to the following reasons :

- a) Section Officers appointed as Desk Officers got all the responsibility but without much monetary incentive. They were allowed a special pay of Rs.150/- p.m., which proved insufficient to motivate them.
- b) The staff unions saw the Desk Officer system as an attempt to reduce the dependence of the Secretariat on the supporting staff like assistants, UDCs, LDCs etc. whose numbers are very large. They asserted their position in the JCM and forced the Government to slow down the implementation of the new system
- c) There was just one desk attache or P.A. attached to the desk, with the result that no memory could be built up, as in the case of the section. The working of a desk got disrupted even by the proceeding of one of its members on leave.

*The new Desk
Officer concept*

9.28 It is our considered view that no restructuring of the Secretariat can go very far unless the Desk Officer system is reintroduced in a highly effective manner. We propose to remove the defects in the earlier system by adopting the following strategy :

- a) The Desk Officer should be a separate and distinct post, not a mere honorific for a Section Officer, with a pittance as special pay. That is why we are suggesting that 25% of the posts of Section Officers be converted into Desk Officers in a higher pre-revised scale of Rs.2500-4000.
- b) The percentage of 25% should gradually be increased to an optimum level, so that the bulk of the work, barring that pertaining to housekeeping and routine administration, is finally done in the desks and not in the sections.
- c) Each Desk should contain two officers and two Executive Assistants. With a numerical strength of four, the absence of one or two members will not lead to a collapse of the Desk.

*The Executive
Assistant concept*

9.29 The next step that is necessary to restructure the supporting staff in the Central Secretariat is to create a multi-skilled position called Executive Assistant. He should replace the present posts of Assistant, UDC, LDC, PA and Stenographer. The qualifications prescribed for this functionary should include :

- a) graduation in any discipline
- b) the qualifications presently prescribed for a stenographer
- c) ability to work on computers

*Training to
Executive
Assistants*

9.30 The training imparted to an Executive Assistant should be such as to enable him to discharge all the skills of noting, drafting, filing, stenography, typing, public relations, receiving telephone calls and visitors and so on. The

need is to have a multi-skilled employee capable of performing all the tasks required for a competent secretary in organisations other than the Government.

Multi-skilling in Group 'D'

9.31 We have to inject the concept of multi-skilling at the Group 'D' level too. Here we may finally arrive at the ideal worker who may be called an **Office Attendant** and can really attend to all the auxiliary tasks in an office. But in the short run we are suggesting a rationalisation into four occupational groups - office attendants, security attendants, cosmetic attendants and malis.

Office systems

9.32 There is a **whole area of office systems**, about which the TCS study has thrown up a number of ideas. Restructuring of office systems has to **make the office more efficient and effective**. This can be done by :

- reducing unnecessary movement of files
- reducing the number of files with various officers at any given time
- preventing wastage of time in locating the files
- freeing officers from routine maintenance of records
- eliminating repetitive tasks
- making the dak system more efficient etc.

COORDINATING AGENCIES

Planning Commission

9.33 Lastly, we come to the coordinating agencies in the Government. The most gargantuan of these is the Planning Commission. There was probably some justification for its size and range of authority when our objective was a centrally controlled economy on the Soviet pattern. Now that such centralized planning models have been abandoned even in the country of their birth and we are moving towards an open, liberalised economy, we have to considerably reduce the size of the Planning Commission. Japan has a small Economic Planning Unit under the Prime Minister's Office. In our case, we can have the Planning Commission as a separate entity with much more reduced functions than at present. It should be an advisory body performing an idea generating role and providing alternatives before the national economy in a fast changing and technology-driven world.

Department of Programme Implementation

9.34 The **Department of Programme Implementation** also had a coordinating and monitoring role at one time. Somewhere along the way, it has lost its mandate. It should be abolished.

PMO

9.35 The **Prime Minister's Office** has emerged as a coordinating office of sorts. It may be of advantage to have a less visible role for it.

Cabinet Secretariat

9.36 The **Cabinet Secretariat** is officially charged with the task of coordination and is geared for it. This position should be recognised and the **Cabinet Secretary** charged with the responsibility for ensuring coordination at the bureaucratic level. There may be need for some amendment in the Rules of Business to provide for certain matters to be resolved at the level of Secretaries through the intervention of the Cabinet Secretary, and at the level of Ministers through the intervention of the Prime Minister. This will impart the necessary edge to both the offices, in keeping a grip on the governmental machinery, so that all

actions of Government are seen to move in the same general direction and in mutual harmony.

CONCLUSION

9.37 We have provided certain broad directions on the restructuring of the Central Secretariat. Similar solutions will also apply to attached and subordinate offices. It is our fervent hope that organisational restructuring of the Governmental machinery would lead to a more effective, more efficient and a service-oriented set-up.



MERGER OF DEPARTMENTS IN THE CENTRAL GOVERNMENT

S.NO	DEPARTMENT(s) TO BE MERGED	MINISTRY/DEPARTMENT IN WHICH TO BE MERGED
1	Department of Administrative Reforms	Cabinet Secretariat
2	Department of Animal Husbandry and Fisheries	Department of Agriculture and Cooperation (to be renamed as Department of Agriculture)
3	Departments of Jammu and Kashmir Affairs, Official languages and Inter-State Council	Ministry of Home Affairs
4	Department of Consumer Affairs	Department of Civil Supplies and Public Distribution
5	Department of Fertilizers	Department of Chemicals and Petrochemicals
6	Departments of Family Welfare, Indian System, of Medicine and Homeopathy	Department of Health
7	Departments of Industrial Policy and Promotion, Industrial Development, Public Enterprises, Heavy Industry, Small Scale Industries, Agro and Rural Industries and Ministry of Textiles	To be merged into a new single department called Department of Industrial Development
8	Departments of Culture, Youth Affairs and Sports, Women and Child Development	Department of Education
9	Departments of Food Procurement and Distribution, Food Processing Industries	Department of Food
10	Ministry of Non Conventional Energy Resources	Ministry of Power
11	Department of Rural Employment and Poverty Alleviation, Department of Waste Land Development	Department of Rural Development

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|-----|--|---------------------------------|
| 12. | Department of Urban Employment and Poverty Alleviation | Department of Urban Development |
| 13. | Department of Statistics | Department of Planning |
| 14. | Anticorruption wing of the C.B.I. | Central Vigilance Commission |
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Work Methods and Work Environment

Introduction

10.1 Today, the government office is seen as a dusty, moth-eaten, dingy, paper-infested hovel chockful of babus, which is feudal in its outlook, hierarchical in structure, antediluvian in its procedures, dilatory in examination of issues and secretive in its dealings with customers. Despite being one of the largest providers of services, there is a complete lack of customer orientation in various government departments. Consequently, the common man views the government functionaries as exploiters rather than facilitators or providers. The reality has been changed somewhat on account of various measures taken by the government in the recent past. However, the process of change has been tardy and much more needs to be done to improve the existing work methods and work environment in government offices.

Three types of offices

10.2 Government offices can broadly be divided into three categories : Those incharge of - planning and policy formulation; monitoring and control, and operations. The work methods and environment in all these categories of government offices needs to be improved, albeit in different ways.

The present scenario

10.3 While office procedure manuals detailing the procedures to be followed for performing any work and guidelines enumerating specific space and facilities to be given to staff/officers of different levels do exist in the government, these guidelines are observed more in the breach. The elaborate office systems and procedures being observed presently generate unnecessary file work, reports and returns. Filing system in most of the offices is antiquated. Proper accommodation is also not available in most offices and while senior officers do have separate individual rooms, the staff usually sits in cramped conditions. The furniture is very old and in poor condition, and not available in adequate quantity. Sections where the staff sit are usually noisy, under-illuminated and poorly ventilated. Many buildings housing government offices are very poorly maintained and lack in basic amenities like safe drinking water and clean toilets. The conditions in service departments of the government, which provide an interface with the general public, are the worst, with customers having to suffer the lackadaisical attitude of functionaries coupled with physical discomforts like lack of proper sitting space.

*Comparative
profile*

10.4 While current state of work methods and work environment in most of the State Governments is similar to that existing in Central Government, public sector undertakings have effected certain changes in this field. Most public sector offices today have an open layout wherein modular partitions and modular office units are extensively used. In the offices of the Reserve Bank of India, such an open layout is being used where grade 'A' and 'B' officers sit in the open space along with the staff.

*Instructional
experience*

10.5 In most of the countries where large scale administrative reforms were effected, proper attention was paid towards establishment of streamlined work methods and a conducive work environment for the staff. In Malaysia, the open office concept heralded closer supervision, congenial working atmosphere and effective communication and interaction. In the United Kingdom, the individual departments were given flexibility to tailor their own systems of work methods within the general framework. In New Zealand, the Chief Executives were given complete control over establishment of appropriate work methods and environment so as to deliver the agreed outputs at the contracted price to the concerned Minister. As would be clear from the experience of other countries which have been successful in implementing the administrative reforms, proper work methods and a good work environment are inherent constituents of such reforms and no organisation can hope to be efficient and effective without proper emphasis on these aspects.

*Consultancy
Studies*

10.6 In the Commission's sponsored consultancy studies on "Restructuring the Government Office", Indian Institute of Technology (IIT) and Tata Consultancy Services (TCS) have in their reports, commented on the general state of work methods and work environment in the government offices.

10.7 Both the organisations have found the existing level of amenities and facilities in government offices inadequate and the prevailing procedures for file movement, dak disposal and filing cumbersome and time-consuming. TCS has proposed a new system of filing and file movement wherein creation of "File Libraries" containing all the section-related files has been suggested. Under this system, the concerned official can call for the relevant files, as and when required, by sending a requisition to the library. The official would only keep the file with himself in case he is still processing it at the end of the day. In all other cases, the file would be returned to the section library. The Section File Library will keep all the current files, with non-current files being sent to a Central File Library for purposes of record. File retrieval and subsequent return to the Central Library would be through the Section Library. The concerned official would submit a file requisition form to the Sectional Library Incharge who would then procure the file from the Central Library. Apart from the filing system, both these studies have also suggested changes in the work environment wherein an open centrally air conditioned office for seating of all non-executive staff, with junior executives being provided shared cabins and individual cabins being limited to only senior executives has been suggested. Other measures like use of modular furniture, permanent and semi-permanent partitioning and diversion of area above file cabinets for storage shelves have also been recommended.

OUR RECOMMENDATIONS

Reducing the paper work

10.8 Paper work in government offices should be reduced by abolishing all unnecessary reports and returns, reducing the number of circulars, increased use of computers, etc.

Streamlined file movement

10.9 The existing system of file movement needs to be streamlined. Files may be replaced by floppies, queries and letters by phone calls, fax messages and electronic mail. Officers may be given the freedom to destroy all useless paper immediately on receipt. These devices not only result in speedier file movement and decision-making, but lead to a more efficient functioning of the office.

10.10 There is a need for greater inter-ministerial and inter-departmental co-ordination. Instead of moving files for every case, discussions and decisions should be issue-wise with individual matters being finalised within the concerned department/ministry in the light of general decisions taken inter-ministerially. Unnecessary and irrelevant questions should not be raised. All points needing clarification should be raised only once.

Reorganising SIU and IWSU

10.11 Staff Inspection Unit (SIU) and Internal Works Study Units (IWSU) should be re-organised in terms of their style of functioning, as presently these units follow thumb rules without any analysis of actual situations. At times, they also lack expertise on the subject matter under review. Instead of having such units which operate from outside, efforts should be made to develop in-house mechanisms like "quality circles" to constantly review their own working and suggest innovations and improvements. Often SIUs and IWSUs are not welcome in most of the organisations as they are perceived to be instruments for downsizing the staff. The proposed system from within would develop space for creativity and build confidence among the participants that any decision taken would be in the overall interest of the organisation as well as the individuals by improving their effectiveness, productivity and also the rewards. Apart from SIU, the Government should also make increasing use of outside management consultants to streamline the Government machinery.

Reducing the supervisory levels

10.12 The number of supervisory levels should be curtailed with individual officers being given smaller charges with complete autonomy so that they are fully accountable for any lapse. Simultaneously, multiplicity of checks in the form of internal audit, technical audit, external audit etc. should be replaced by a single agency for effecting suitable checks.

Service departments

10.13 In order to minimise the differences in the quality of services being provided, there is a need for laying down strict guidelines regarding accountability norms and standards for government servants, to be strictly adhered to while providing the services. The people delivering the services and the physical environment where these services are delivered are crucial. This has been one of the most neglected areas in the service departments of the government. Of late, a few departments have made some efforts to improve the physical environment of such places but there is immediate need to make them cleaner, aesthetically pleasant and more congenial.

<i>Training</i>	10.14	The public servants who have an interface with the people should be given intensive training in behavioural science, so that they are seen as helping hands with the smiling face rather than as exploiters.
<i>Common typist pool</i>	10.15	All the available typists in an office should be placed in a common typist pool. Any official requiring typing assistance may utilise the services of any typist of this pool. We should depart from the prevailing practise of giving individual typists to officers.
<i>Heralding an officer orientation</i>	10.16	All government work has to be made officer-oriented. Matters may be considered and disposed of only at officer level and full authority must be delegated to each officer.
<i>Work Environment</i>	10.17	Work environment includes office layout and furniture, office decor and amenities. We have considered all the three aspects of work environment separately.
<i>Office Layout</i>	10.18	Office layout concerns the arrangement of equipment within the available floor space. Presently most of the government offices have a number of private rooms. Such rooms are given to employees on account of their position of prestige or because the work needs a higher level of concentration or is of a confidential nature. The concept of private rooms is now changing and the image of prestige built on separate rooms has to be abandoned because they hamper close supervision of the subordinate staff, occupy more floor space and are generally more expensive to build and maintain. Accordingly, efforts should be made to design offices with large open areas where all the staff/junior level executives (up to the rank of Under Secretary) should sit. For limited privacy, partial modular partitions can be provided. Adequate lighting, ventilation and acoustical sound proofing should be provided. Modular furniture should be used and the area above file cabinets should be converted into storage shelves. Mobile racks should be used for storing all files in a section. The personal assistants should not be given private rooms but be placed in foyers outside executive offices. While middle and top executives may be given private rooms, the same should be constructed by using movable partitions so as to provide flexibility for any future changes. Proper area should be provided for visitors and reception.
<i>Office Decor</i>	10.19	Office decor gives a pleasing appearance to the office, thereby reducing the boredom of sitting in one office for years. Decor also helps to improve the image of an organisation. Most of the government offices are found to be wanting in this area. As a short-term measure, different ministries/departments may initiate steps for ensuring better ventilation, lighting, air conditioning, sound-proofing through provision of carpets, proper maintenance of office equipment and furniture, proper colour scheme, use of potted plants, wall clocks, curtains, wall paintings, etc. Long-term measures can include provision of piped music/art galleries in the corridors/reception area, utilisation of space on the ground floor for small museums displaying articles relating to the historical background of the particular department, etc.
<i>Amenities</i>	10.20	Provision of basic amenities is a necessity, as their absence can spread dissatisfaction amongst employees and customers. We have observed that most of the government offices at present lack proper basic amenities. Provisions have to be made in every government office for providing drinking water with

water coolers, clean toilets, vending machines for tea and coffee and a small recreation room/library. Government should also consider taking concrete steps for providing facilities like creche, ladies' common room, gymnasium, sports facilities as well as departmental stores well stocked in items of daily consumption in all large offices.

*Ensuring
uniformity across
offices*

10.21 We view with concern the tendency of vocal and powerful officers to get more space and amenities for their personal and functionally related staff. The government should take adequate measures and form proper guidelines to ensure that uniformity is maintained in provision of these facilities to different offices.



Improving Productivity

INTRODUCTION

Need to improve productivity

11.1 One of the major thrust areas in this Report is the need to improve productivity of Government employees. We have kept this at the forefront of our mind and many of our recommendations have been made with the sole purpose of raising productivity to an optimal level. In this chapter, we will give a few examples of such recommendations.

Three major ways

11.2 There are three major ways in which productivity is sought to be improved :

- a) By measures that ensure that employees have more time available for work
- b) By measures that motivate employees to work more
- c) By measures that improve the productivity of employees through organisational restructuring, use of information technology etc.

MAKING MORE TIME AVAILABLE

11.3 One of the most obvious ways in which employees can be made more productive is by making more time available for work.

Increasing the number of working days

11.4 The first measure is increasing the number of days available for work in a year. Currently, there are too many holidays in Government and we follow a five day week in a number of Government offices. Further, there is a tendency to declare a holiday on very flimsy grounds like the death of a VIP or the birth centenary of some departed leader and so on.

Six-day week

11.5 We have recommended the promulgation of the six-day week instead of the five-day week. This single step immediately increases the number of working days by 40. The number of gazetted holidays have been reduced

from 17 to 3. This gives another 14 days. We are suggesting that other holidays should be declared only on the death of an incumbent President or Prime Minister and on no other death. This will also increase the number of working days by at least 6 days in a year. Thus we have been able to add a total of 60 days or two months to the number of working days in a year.

Encashment of leave

11.6 We have allowed employees to encash 60 days of earned leave in their service period. Assuming a total service period of about 30 years, such encashment would also increase the number of working days for an employee by an average of two days in a year.

Time clock

11.7 In order to ensure punctuality in attendance, we have suggested the introduction of the time punching system, so that each employee right up to Cabinet Secretary has to punch in his time of arrival and departure. Such a system has worked wonders in Malaysia and it can do so in India too.

Transport Allowance

11.8 Punctuality in Government offices becomes a casualty also because employees cannot afford to travel from residence to office in their own vehicles, be these cars, motor bicycles, scooters or bicycles. We have recommended the grant of a modest transport allowance that would permit most employees to meet at least some part of the heavy expenditure they are compelled to make on commuting to office. It is hoped that this would also promote punctuality.

Serving of tea on the table

11.9 One major irritant in Government offices is the tendency of employees to use the taking of tea as an excuse to absent themselves from their seats for as long as half an hour at a time. We have recommended arrangements that would ensure the service of tea, coffee, cold drinks and snacks on the table, so that no interruption to the work schedule takes place.

Changing timings of service institutions

11.10 Another important recommendation is that Government should change the timings of hospitals and dispensaries, banks, shopping centres etc. so that these are open in the mornings and evenings when Government employees (and all employees for that matter) are free. This can be done either by introducing a shift system and bifurcating the present staff, or through a split duty system in which case we can pay a split duty allowance to officers and staff. The idea is that Government employees should not have to leave office and transact the business of taking their children to a doctor, shopping or encashing a cheque, on official time.

MOTIVATING EMPLOYEES TO WORK MORE

11.11 Having brought the employee to the office in time, having prevented him from getting late in distractions like tea, bank transactions or shopping, and having increased the number of working days is only part of the battle. How is the employee to be encouraged to work more?

Output-based budgeting

11.12 We are suggesting budgeting and financial reforms that will convert our budgets to documents outlining the outputs and outcomes of departmental work instead of being obsessed with inputs. If implemented in the right spirit, it will bring about management by objectives, with every employee

knowing exactly what his duties are, what kind of output is expected from him and putting in his best to meet the laid down targets.

Productivity and bonus

11.13 All incentive schemes have to be productivity-linked. Bonus is supposed to be so. Unfortunately, many of the bonus schemes currently in operation are linked to production and not to productivity. We have suggested certain modifications so that there is no automatic increase in the quantum of bonus merely by efflux of time, but there is a direct link established between productivity and bonus. We are also suggesting the conversion of ad hoc bonus schemes into productivity-linked bonus schemes.

Performance appraisal

11.14 Performance appraisal is another area of reform. If we develop better methods of appraisal, which are linked to actual performance in quantitative and qualitative terms, and link promotion and other incentives to such objective appraisal, we would be creating the best motivation for higher productivity.

Weeding out of the incompetent

11.15 As part of the appraisal system, we are suggesting a ruthless weeding out of the incompetent and corrupt elements at the time of promotion to the Senior Administrative Grade. If this is linked to performance, it will have very salutary results.

Performance Related Increment

11.16 We are also introducing the Performance Related Increment scheme, under which an employee's performance during the previous year would determine whether he remains where he is, earns an increment or is given two increments instead of one. This is a precursor to Performance Related Pay, which can be introduced at a later stage.

Appraisal of Group 'D' employees

11.17 Group 'D' employees currently do not face an annual performance appraisal. This is because they had no promotion avenues so far. Having introduced the four-grade structure for these employees, we have also brought the ACR back. There will thus be increased pressure on them to perform.

Specific suggestions on productivity

11.18 In the case of certain departments we have made specific suggestions for improving productivity. For example, 25% of running allowance has been linked to the punctual running of trains. Similarly, if a pension payment order is delayed due to the negligence of someone in Government, he will have to pay interest to the affected employee for the period of delay. For the telephone department, we have suggested a coloured points systems, with red for bad work and green for good work, the points being added every month to arrive at a numerical assessment of the productivity of telephone mechanics. There is also a recommendation for customer opinion surveys to ascertain the views of customers of services provided by the Government.

OTHER MEASURES FOR INCREASING PRODUCTIVITY

11.19 There are other measures that have a very direct and positive impact on productivity. Some of these are briefly mentioned in the succeeding paragraphs

Organisational restructuring

11.20 **Organisational restructuring** includes a number of steps like amalgamation of Ministries and departments, delegation of administrative and financial powers, delayering, level-jumping, the introduction of the Desk Officer system, functional multi-skilling and creation of new cadres like those of Executive Assistants and Office Attendants etc. All these will lead to greater efficiency and thus to higher productivity.

Reducing numbers

11.21 There are also numerous suggestions for reducing the numbers in Government employment through privatisation, contracting out of services, transfer of functions, schemes and organisations to the State Governments, or their conversion into cooperative institutions, PSUs and autonomous bodies, revision of norms etc. Many of these recommendations will lead to higher productivity per employee from among those who are left in the Government.

Simplification of procedures

11.22 Office procedures prescribed in government organisations at present are very complex, cumbersome and time consuming. Such procedures often lead to a greater emphasis on observation of the prescribed norms rather than maintaining productivity. Procedures in all government offices need to be simplified and made less tedious and time consuming.

Accountability

11.23 A shift has to be made towards accountability in the positive sense wherein a greater emphasis will be laid on achieving the end result rather than a mere adherence to rules and procedures. This will also provide government employees with the necessary impetus to try out various innovative approaches for increasing productivity.

Automation

11.24 Then there is the whole field of office automation, reduction of paperwork, computerisation, introduction of information technology etc. which is likely to cause a quantum jump in the productivity of Central Government employees.

Automation and Reduction of Paper Work

INTRODUCTION

Need for Automation

12.1 The main objective of administrative reforms is to increase the efficiency and effectiveness of the government by increasing productivity. In this scenario, automation and computerisation play an important role, as obsolete office equipment not only leads to a wastage of time on account of difficulty in handling but also does not give the required quality of output. Automation is also important for installing modern communication systems in offices, which can prevent generation of a lot of unnecessary file movement and useless paperwork.

Automation - Existing Scenario

12.2 The existing level of automation in government offices is quite inadequate and haphazard. Government offices are still continuing with the traditional machines like manual typewriters, cyclostyling machines, etc. which do not give the required quality of output. Most of the office equipment is outdated and poorly maintained. The telecommunication facilities are insufficient or absent in most of the offices. Furthermore, the office equipment is provided on the basis of designation of the person. The best and most expensive equipment like personal computer is kept in the room of the senior most officer who may either have no knowledge of its operation, or inclination or time to use it. In any case, one single person may not be able to utilise the equipment to its capacity. Thus there is a need to split the equipment into Individual and Pooled equipment.

Generation of Useless Paperwork in Offices

12.3 Presently government offices generate a lot of useless paperwork in the form of unnecessary reports/returns, extended file movement - in many cases for clarification of some minor query which could have been avoided, tedious procedures for disposing of dak, improper filing and the tendency amongst officials to correspond only through the medium of the written word even in cases where requisite information could be easily gathered by phone, personal interaction etc. Such tendencies are a major cause of delay and reduce the level of efficiency in government offices.

COMPARATIVE POSITION

*Level of
Automation in
other countries*

12.4 Most of the other countries have realised the importance of proper office equipment and reduced paperwork in increasing the efficiency of government offices and initiated several steps in that direction. The developed countries of the world have had a very high level of automation with attendant reduction in useless paper work, during the past 2-3 decades. Currently, the United Kingdom invests more than 2 billion Pound Sterling a year and employs 20,000 staff (despite reduction in the overall size of the government) to install and operate various information and telecommunication systems. In Canada a blueprint has been designed to substantially change the way in which technology is implemented throughout the government. A 'Software Exchange Service' (SES) has been opened to promote and facilitate the sharing of government owned application software, and related systems between different government organisations at all levels. The level of automation and technology in developing countries is also being upgraded continuously. In Bangladesh, computerisation of government offices has been taken up on a large scale. Alongside O and M techniques like modified personnel manual, standardised job descriptions with MIS are also being utilised. In Malaysia, government offices are increasingly being provided gadgets for image processing, electronic data interchange, work flow automation as an integral part of the endeavour to help government departments to carry out their daily operations more efficiently and effectively and with less amount of paper work.

RECOMMENDATIONS

*Heralding
Computerisation*

12.5 The existing manual system of working should be replaced by an automated and computerised system. This change should be initiated from top levels of executives in the government whose commitment to the process of change should be total and visible. The various activities being taken up for computerisation should be prioritised and activities having a public interface, those involving a lot of legal complications and litigation or those that generate a lot of repetitive work should be computerised in the first leg.

12.6 The final objective of automation is the creation of the paperless office or the almost paperless office. One of the fears expressed by officers is that there would be no record of who said what and therefore accountability would be diluted. It is now possible to use devices by which a Government file can be almost replicated on the computer, with sufficient safeguards to ensure that it would always be possible to fix responsibility for statements made by individual officials. We need to educate officials about these techniques, so that there are no unfounded fears on this account.

Proper Training

12.7 In the new office, the higher level management will have to be receptive to adopt new technology. Proper training would therefore be essential for training the senior officers on both - the skills for operating computers and the appropriate attitude to implement information technology in the organisation. Simultaneously, the general staff would also have to be trained for using the office automation and also to accept technology as a facilitating

and supporting system. Sometimes innovative technology programmes are initiated without informing the employees and their unions. This leads to rumours and misunderstandings about the reasons for their introduction. The first impression that the employees get is that they will lose their jobs due to computerisation. Their fears about information technology should be addressed properly through meetings and notices. JCM can play an important role in this respect.

Making the existing systems and procedures computer friendly

12.8 The introduction of information technology would require changes in the systems and procedures. Each system and procedure would have to be studied in detail and suitable software and hardware implemented for each application. Present forms being used in government are cumbersome and not amenable to being fed in the computers. All such forms would need to be simplified and made both customer and computer friendly. Need to fill in multiple forms should be minimised and ultimately eliminated, once the entire government machinery is properly networked.

Creating proper data base

12.9 Computers can be used effectively only if a proper and accurate database is available. Hence a proper database would have to be developed. All government departments should accordingly initiate compilation of available information in a proper format which can be used for building up an extensive database.

Ensuring compatibility

12.10 While initiating computerisation, each ministry and department should design their system in consultation with expert bodies like NIC so as to ensure compatibility within the overall system of the government. The design should also take into account the present and future data volumes and must examine costs and benefits of various alternatives available. This should also be extended to all the field organisations as well. The over all emphasis should be to develop a network in the entire government machinery wherein immediate exchange of data through computers would be facilitated. The system should also contain hierarchical and functional level based codes so that appropriate confidentiality of data is maintained.

Other Office Equipment

12.11 Apart from computers, other office equipment which improve the effectiveness and efficiency of employees should also be used. These include Electronic Typewriters; Photocopiers; E-Mail which enables the transmission and reception of mail, FAX or telex around the globe; Microfilming Equipment which makes miniature copies of records on film and stores the film either on small reels or strip and can be used for reducing the number of files; Scanner which can be used to scan letters and text so that the need for typing the stencils is obviated, etc.. Machines should also be utilised for enforcing punctuality in office through electronic recording of attendance and timing of disposal of cases etc

Procedure to be adopted

12.12 In the whole process of automation, care should be taken to ensure that modern equipment is provided on the basis of needs. Individual equipment should be provided to a person only if he needs it continuously or if work would be hindered or delayed otherwise. This can include equipment like calculator, computer terminal etc. Other equipment which is large and expensive should be kept in a common pool with timings for the use of individuals and sections decided in advance. Such pooled equipment would

include fax, photocopier, telex, DTP facilities, NICNET, computer systems, franking machines, scanner, paper shredder, etc.. All government offices should have a central pool of equipment like telex, fax, photocopiers and word processors in an easily accessible room which can be used by various officers to take high quality print-outs for the purpose of correspondence, reports, etc.

*Reduction of
paperwork*

12.13 There are also several steps which need to be taken in order to reduce paperwork in Government. Some recommendations in this regard are as follows

- a) All forms should be reduced in size and be pared to be barest minimum. Only one copy of the same should be asked for from the customer. More copies, if needed, should be generated in the Government office.
- b) Reports and returns should be reviewed every three months. All unnecessary reports/returns should be discontinued forthwith. The periodicity of reports/returns should be ruthlessly reexamined to see whether their periodicity could be made longer. If a monthly return is converted into a quarterly return, we immediately reduce paperwork by two-thirds.
- c) All officers should be authorised to destroy some incoming papers immediately on receipt. Sometimes the same representation is received from six quarters and adds to the volume of a file. The five extra copies should be destroyed immediately on receipt.
- d) No copy of a letter should be endorsed to any person, unless it is clearly known that it will be useful to him in some way. If such a letter is received by anyone who is not concerned with it, he should destroy the same immediately on receipt.

12.14 Many such methods for reduction of paperwork can be devised, once one makes up one's mind and trains everyone in Government to think in similar terms.

Openness

- Definition* 13.1 The simplest definition of openness is "easy and speedy access to right information". In the context of government functioning in the present era of economic liberalisation, "openness" means giving everyone the right to have access to information about the various decisions taken by Government and the reasoning behind them.
- Comparative position in other countries* 13.2 In most of the countries where large scale administrative reforms have been carried out, emphasis has been laid on liberalising the extent to which details of policy, performance and other information about government activities are made available to the general public. In the U.K., Citizen's Charter contains specific provisions for promoting increased openness about the reasons for decisions taken by the Government. In 1988, certain changes were effected in the Official Secrets Act, 1911 to narrow the scope of official information falling within the ambit of the Act. Besides, a White Paper guaranteeing a statutory right of access to personal records held by the government has also been implemented in April, 1994. Canada has an Access to Information Act which gives all Canadian Citizens, as well as people and corporations present in Canada, the right to have access to federal government records that are not of a personal nature. The government has taken steps to ensure that information about its activities are broadly available to the people, with exceptions being limited and narrowly defined, and provisions for resolving any disputes over the application of such exceptions independently of the government. An Information Commissioner has been appointed to investigate complaints from members of the public arising from the above-mentioned Act. Government of Malaysia has also taken various steps to provide an open and transparent government in terms of decision-making. These include publication of reports on public complaints, progress of administrative efforts undertaken by the government etc.
- Recent Trends* 13.3 As would be clear from the above, there is a trend worldwide to have increasing openness in the system of governance. Various factors like changing socio-economic milieu, increased awareness of the public about their rights, the need to have a fully accountable and responsive administration and growing public opinion which views efforts at secrecy as enhancing the chances of abuse of authority by government functionaries, have led to a demand for a greater transparency in governmental functioning. However, complete openness is

neither feasible nor desirable. Accordingly, a balanced approach to openness in government functioning has to be devised.

OPENNESS WITH PUBLIC

*13.4
Openness*

13.4 All governments in the world practise studied concealment of information from the people though the nature, degree and extent thereof varies. While capitalist and democratic countries have a higher degree of openness vis a vis authoritarian regimes, nowhere in the world is government functioning totally open. The effort is to satisfy public demands as far as is reasonable and practicable. Transparency also has to be fully compatible with the constitutional and parliamentary system of the country and the cost of sharing information should be commensurate with the benefit to the public. It may also not be practicable to give information about any proposal under consideration while it is yet to be finalised, as this is likely to bring into play several pressure groups with attendant increase in corruption. Thus what we need in the country today is a limited openness in government functioning, which would make available ex post facto information about various, but not all, government decisions to the citizens of this country. While anything that is detrimental to the interests of the nation, the security of the state or its commercial, economic and other strategic interests, may not be made public, nothing should be held back just to subserve the interests of individual bureaucrats and politicians.

*13.5
Experience of other countries shows that we will have to initiate the process by passing a Right to Information Act, somewhat on the lines of Canada and the United Kingdom. Adequate safeguards will have to be built into the legislation to ensure the primacy of the national interests as also the privacy of the individual citizen. At the same time, an independent authority will have to be constituted to decide whether a document can be made public or not. In this context, we recommend the creation of a National Information Authority which may be headed by a retired Supreme Court Judge or a retired Chief Justice of a High Court. It should also include independent and eminent persons as its members. The decision of this authority should be appealable only in the Apex Court.*

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*13.6
Dissemination of information*

13.6 Public relations wings, which already exists in most of the government departments, should be converted into Public Relation-cum-Information Wings. Their functions should include dissemination of information to citizens on payment of a prescribed fee. People should be able to inspect Government papers and, if necessary, take photocopies of desired documents. No extra staff should be employed for this work, as the existing staff of P.R. Wing can take on these duties additionally. Departments should also publish information of general interest and keep copies of these in their libraries for general consumption. They should put information on computers with linkage to Internet and other global networks.

*13.7
White paper and press communication*

13.7 Every important government decision involving a shift in policy should invariably be accompanied by a White Paper in the nature of an explanatory memorandum. Whenever a government decision brings about any pecuniary benefit of the value of Rs.100 crores or above to any particular individual, group or company, whether in form of licences, tax relief or award of

large projects, an elaborate press communique' explaining the origin of the issue, factors taken into account while arriving at the decision and names of the particular groups/ individuals which it has benefited, should be released, within 24 hours of the decision.

*Openness in
public dealing
offices*

13.8 A new kind of office structure, with a counter system, as in the case of banks, should be adopted in all field offices involving public contact. This has already been used with success in the Ahmednagar Experiment wherein the district office was restructured, demystified and made more open so as to facilitate the work of the general public. We have to move towards a government office which gives a clear-cut time-limit for disposing of any request of a member of the general public. An individual, if he so wishes, should be made aware about the exact stage of his case at any point of time. In such a system, an applicant is given a fixed time-limit, at the time of submission of his application giving the date on which the final decision on his request would be conveyed. The Passport Office has already initiated a system, where the status of an application can be ascertained at any point of time.

*Cutting out
discretion*

13.9 Openness also implies that the reasons for Government decisions are placed on record in black and white. For this purpose, formulation of criteria that would be used for decision-making is a must. Accordingly specific rules, criteria and norms have to be laid down for every activity of the government. The areas of discretion should be minimised and, in fact, eliminated. There should be no provision for Ministers, MPs or bureaucrats to dispense favours like medical college seats, Government accommodation, telephones, gas agencies, petrol pumps and the like. All such out-of-turn or discretionary quotas should be abolished. Wherever discretionary powers have to exist, these should be exercised by a group of officials with disparate backgrounds. In such cases, there should always be a recorded decision giving full justification for the stand taken. These groups should never be headed by ministers.

OPENNESS WITH EMPLOYEES

*Transparency in
appointments,
promotions etc.*

13.10 Presently, the procedures involving personnel management in government are kept so much under wraps that even government servants themselves are not aware of them. Many of these activities like policy of transfers and postings, procedure for empanelment and even the list of persons who have made it to a panel remains closely guarded secrets. Transparency in dealing with matters relating to appointments, promotions, placements and personnel management is essential. We recommend that clearly defined criteria for all matters concerning promotions, transfers, appointments, etc. of government employees should be laid down. When a panel is drawn up, it should be published so that everyone knows where he stands. Apart from reducing frustration amongst government employees, this will obviate the need for fighting service-related cases in the courts.

*Redress against
superiors*

13.11 Openness in governmental functioning has to extend to resolution of disputes among government servants. In the present hierarchical structure in the government, a subordinate does not have any avenue to air his grievance against his immediate superior to anyone. The official rules provide for representation

through proper channel in which the first link is again the next immediate officer. Moreover, in case of a dispute, there is always a predilection among the top bureaucrats to go by the statement of the senior officer. It would be better if in such cases, the senior officer counsels both parties involved in the dispute to arrive at a mutually acceptable settlement. If differences still persist, efforts should be made to delink the two persons involved in the dispute, as they may both be good people, only temperamentally incompatible.

Relations with the media

13.12 Openness should not mean indiscreet leaks about Government actions, all of whose secrets are bandied about in public. In fact, openness should do away with the very provocation for such leaks. By its very nature, the work of a government employee is faceless as it invariably flows out of efforts involving the entire system. The concept of anonymity of the public servant is a good thing and should continue. Lately certain public servants have developed a tendency to acquire a false halo by cultivating the press and giving them friendly leaks. There is a need to suppress this tendency. The Conduct Rules already provide for departmental action in such cases. There is a need to implement this severely so that no more paper tigers amongst bureaucrats are created by the media. At the same time, the public relations machinery of different government departments should be trained to give out balanced stories to the media who should also be given sufficient opportunity to visit the places where good work has been done. Instead of issuing drab press notes giving dull statistics, the media should particularly be apprised of individuals who have been helped by the system, as human interest stories always evoke greater attention.



Autonomy and Delegation

INTRODUCTION

Reforms in New Zealand

14.1 The present trend the world over is towards granting greater autonomy and delegating more powers at all levels of the government. Perhaps the highest level of autonomy and delegation has been effected in New Zealand during the course of the reforms initiated in the last decade. Most of the government activities have been either privatised or are being run as State Owned Enterprises like private sector businesses conforming to commercial objectives alone. For the core activities that have been retained in Government, Ministers enter into a contract with the Departmental Chief Executives wherein the output to be produced by the department and the price to be paid are specified. The Chief Executive, who himself is on a contract, has full powers to hire and fire his staff and to fix their salaries. All civil servants are employed on a contract, under which they are responsible to produce a certain number of outputs of specified quality at a certain price. In order to achieve such outputs, each manager has complete discretion over inputs and can prescribe work methods, devise systems, fix salaries, grant amenities and decide upon the number of his staff while remaining within his overall budget. The pay of the manager is also dependent on his performance. There are annual reviews and depending on their results his pay can be adjusted both upwards and downwards. Budgeting has become totally output-oriented, with the control of the Treasury limited only to a fixing of the total size of the departmental budgets

AUTONOMY AND DELEGATION - AN APPRAISAL

Feasibility of Introducing the New Zealand model in India

14.2 While this kind of system may be the ultimate aim for any government of the future, it is doubtful if the present circumstances are conducive to its instantaneous implementation in India. Today we have a centralized system of Government that is premised on distrust. Whether it is the Ministry of Finance or the Ministry of Law or the Department of Personnel, they do not trust other individual Ministries to do the right thing. It is, therefore, necessary to refer everything important to these nodal Ministries. Whatever little autonomy the departmental heads seem to enjoy notionally is withdrawn by the Ministry of

Finance under the guise of economy. Most important decisions of any consequence are taken either by the Cabinet or a Cabinet Committee or the Minister or the Committee of Secretaries.

*Necessity for
Delegation*

14.3 Delegation of authority is critical to the cutting down of levels and the time taken for arriving at a decision. Any delegation can lead to reduction in the size of government which is central to the entire process of administrative reforms. Centralised control leads to wastage, as one set of rules cannot be equally applicable to thousands of diverse situations which obtain in a country of India's size and complexity. There is thus no doubt that delegation is the key to faster decision-making.

RECOMMENDATIONS

*Decentralisation
of Financial
Powers*

14.4 Presently, the most excessive centralisation of powers is seen in the matter of finance. All ministries have a Financial Advisor (F.A.) who is responsible both to the administrative ministry and the finance ministry. The F.A. assists the administrative Secretary in respect of the powers delegated to the ministry and the Secretary can, in theory, overrule his F.A. In practice, however, stringent restrictions have been placed in respect of exercise of delegated powers. Powers for creation of non-plan posts, reappropriation from plan to non-plan expenditure, expenditure on telephones, travelling allowance, entertainment, overtime etc. have been severely curtailed or withdrawn. This kind of total control is stifling and often acts as a barrier in achieving the allotted targets and goals. Accordingly, there is a need for the finance ministry to allow other ministries greater freedom and flexibility in financial matters. It would be more appropriate if the finance ministry approves the overall budget for different ministries and thereafter allows them sufficient flexibility to manage the financial resources in the most productive manner irrespective of the various heads under which it is spent. Simultaneously, all the powers withdrawn from the ministries during the last few years in the name of economy measures should be restored, with reiteration of the government's desire to effect maximum economy. The dual control over the F.As. should also be removed and they should work under the control of the administrative Secretaries as real financial "advisors" in respect of delegated financial powers.

*Role of Ministry
of Personnel,
Public
Grievances and
Pensions*

14.5 The Ministry of Personnel, Public Grievances and Pensions is the nodal ministry dealing with policy in respect of personnel matters. Due to common criteria prescribed by this ministry, there is a great deal of uniformity in the civil services, which is not always conducive to effective management of the functions attached to diverse departments. There is need for greater freedom in personnel matters within the existing system subject to the specified budget on pay and allowances. Individual departments should be allowed to determine the structure of their cadres within the existing pay scales without the intervention of the Ministries of Finance and Personnel. They should also be authorised to work out incentives applicable to their employees, within the parameters of general guidelines, like increments, lump-sum payments, productivity-linked bonus, etc.. The departments should also enjoy greater freedom in respect of personnel who are specific to such departments and are not to be found in other ministries. In such a scenario, the role of Ministry of

Personnel would be confined to laying down general policy guidelines in respect of matters like recruitment, promotion, deputation etc.

*Appointments
Committee of the
Cabinet*

14.6 The approval of the Appointments Committee of the Cabinet should be sought only in respect of appointments of Joint Secretaries and above in the secretariat and appointments to posts carrying a pay scale equivalent to that of Additional Secretaries and above in the field offices.

*Role of
Committee of
Secretaries*

14.7 Presently there is a tendency to refer almost all important matters to the Committee of Secretaries. This leads to avoidable delays and dilution of responsibilities. Individual cases should not be referred to the Committee of Secretaries. Only broader issues having wider ramifications should be taken up at their level. All administrative Secretaries should be delegated the complete and final authority for approval of projects, programmes, schemes, procedures etc. upto any limit within the overall budget. They will no doubt seek the advice of all those concerned before arriving at the final decision. This would ensure that the ministry responsible for a given task also has the necessary powers to achieve it.

*Role of
Secretaries*

14.8 All administrative Secretaries should be given maximum functional freedom and financial flexibility as in the case of Chief Executives in New Zealand. Simultaneously, they should also be asked to commit themselves to targets and action plans for their entire tenure and held accountable for the same.

*Delegation as a
prelude to
Delayering*

14.9 As a prelude to reduction of levels in the ministries, the posts of Director, Deputy Secretary and Under Secretary should be treated as one group and that of Joint Secretary, Additional Secretary and Secretary as another. An officer belonging to the lower group should submit the files directly to an officer of the higher group who should be delegated the necessary powers to take a decision on such matters. This will ensure that no file is dealt by more than two executives before a final decision is arrived at.

*An atmosphere of
trust*

14.10 An atmosphere of trust has to be created throughout the administrative system, so that each rung of the Government feels motivated and responsible for the results in specific areas of responsibility. Power & responsibility should go together. Only in such a system can decisions be taken quickly and efficiently.

Ensuring Right of Redress

INTRODUCTION

- Grievances* 15.1 It is inevitable that the large size of the Government machinery and the plethora of services provided by it should generate grievances. These can be broadly divided into two types - grievances of customers and grievances of employees.
- Withdrawal of Government* 15.2 One major policy thrust that can reduce both is the withdrawal of Government from areas that can be transferred to the corporate or private sector. This option has to be pursued vigorously.
- Need for effective redressal* 15.3 But for areas that remain with the Government, an efficient grievance redressal machinery has to be an integral part of civil service reforms. It has to be effective, speedy, objective, readily accessible and easy to operate. It has also to be well publicised so that aggrieved parties are aware of not only the available recourse but also the forum for lodging the complaint.

EXPERIENCE OF OTHER COUNTRIES

- Malaysia* 15.4 Other countries have tried to build effective grievance redressal mechanisms. In **Malaysia**, a Public Complaints Bureau has been created in the Prime Minister's Office. It has the status of an independent organisation to look into complaints against public agencies. It is the main channel for the public to forward their grievances against public servants. Several steps have been taken to inform the public about their right of redress.
- United Kingdom* 15.5 In the **U.K.**, the Citizens' Charter (1991) introduced mechanisms for registering and redressing complaints made by customers. Government took steps to publicize the procedures for lodging complaints. A Complaint Task Force was created for setting up improved complaints systems. A telephone helpline called "charterline" was installed to help people to find out more about public

services as also how to lodge complaints about them. A post of Ombudsman was created to deal with complaints of alleged injustice caused by Government's maladministration. If other attempts at redress failed, individuals could approach the Ombudsman through their Members of Parliament.

Canada

15.6 A Department of Public Works and Government Services was opened in Canada, in order to permit members of the public to lodge formal and informal complaints. The Canadian International Trade Tribunal was appointed in order to receive and decide upon complaints in respect of award of Government contracts to private parties.

CONSULTANTS' ADVICE

15.7 Tata Consultancy Services have suggested that all public grievances should be received and acknowledged only at one point. The Department of Public Grievances should function as a nodal department and forward the complaints to the respective departments for necessary action in a time-bound manner. Creation of a grievance committee for handling grievances of employees has also been suggested.

EXISTING SYSTEM

*Department of
Public
Grievances*

15.8 As in everything else, we already have a public grievance redressal machinery in place. At the apex is the Department of Public Grievances, under the charge of a full-fledged Secretary who reports directly to Cabinet Secretary. It registers all public grievances received either from individuals or from the newspapers and forwards the same to the concerned Ministries. Action taken thereon is monitored closely.

Special Cells

15.9 Individuals can also file their grievances with the concerned Ministry or Department directly. Most Ministries have special cells under senior officers for looking into such grievances. People also request their public representatives to intercede for them with the Ministers or senior officials.

*Defects in present
system*

15.10 The trouble with the present system is that it is not worked properly, due to the following reasons :

- a) The concept of customer orientation is almost non-existent.
- b) Government officials are not properly trained in effective grievance redressal
- c) There is no pinpointed responsibility for each task
- d) Responsibility for non-redressal of a grievance is not fixed there and then
- e) No reward or punishment system exists

- f) There is no systematic attempt to assess the customers' opinions
- g) Multi-tier institutional mechanisms have not been developed
- h) There is no institution outside the departmental machinery which could effectively intervene on behalf of the aggrieved person.

OUR RECOMMENDATIONS

15.11 An effective grievance redressal machinery has to be put in place, so that each of the above defects is taken care of. Our recommendations try to achieve this objective.

Citizens' Charter

15.12 There has to be a Citizens' Charter, defining the rights of the customers of Government schemes and services. Each department has to publish its own Charter, defining its standards of performance, fixing time limits, setting out the grievance redressal mechanisms, stating what redress would be made. For example, the Department of Telecommunications will have to state how much time it will take to set a telephone in order. Suppose it stipulates 24 hours. If it fails to rectify a defect within that period, it will have to pay damages to the subscriber. Each Government employee has to understand that he is a public servant in every sense of the term and he has to serve the public. That is the only reason for his existence. The idea that Government employees dispense favours to members of the public has to be buried once for all.

Attitudinal change

15.13 Officers have to be trained in effective grievance redressal. There are some basic principles for this. Each officer has to maintain an open door policy. His doors have to be always open to the members of the public, to listen to their grievances. Disposal of paperwork has to take second priority. So long as papers are given more importance than people, our administrative systems cannot improve. Intervention has to be personal, by calling the concerned official or by ringing him up. Deadlines have to be set for each task. The completion of each task has to be monitored. No backchat is to be tolerated from subordinates. Each person is to be trained in problem solving, and in fighting our innate tendency to pass the buck to someone else.

Pinpointing of responsibility

15.14 The distribution of work in Government offices has to be done in such a way that you can always pinpoint responsibility on a single individual. No one who is called upon to perform a task should be able to claim that it is not his job. If he is held responsible for non-performance, he should not be able to wriggle out.

Performance appraisal

15.15 Whenever a grievance is redressed or not redressed within the time limit prescribed by the organisation, there should be an automatic mechanism for recording of the performance there and then. It should be recorded for several purposes. It should go into a data bank which records the performance of the individual. That should enable the department to prepare a Monthly Performance Appraisal, which should be communicated to the individual. The other use to which the information can be put is the determination of the individual's entitlement to a financial reward or punishment.

<i>Reward and punishment</i>	15.16 A simple system in the telephone maintenance wing of DOT could award green points for good work and red points for slipshod work. At the end of the month, all the green and red points could be totalled up, to give either a net green (plus) or red (minus) figure. That figure could determine whether the individual would be entitled to an incentive or a deduction. In other departments, it could be linked with (say) running allowance in the railways or performance-linked bonus in the postal department or a cash incentive in a defence workshop.
<i>Customer Opinion Surveys</i>	15.17 We require a well organised system of Customer Opinion Surveys, which could give us feedback about the performance of an organisation or individuals within it. These may be conducted internally, through units dedicated to the task of Performance Appraisal or by engaging private survey agencies on a contractual basis.
<i>Institutional mechanism for redressal</i>	15.18 A multi-tier institutional mechanism has to be developed for grievance redressal. This means that only grievances which cannot or are not redressed at a particular level will travel to the next higher level. A grievance will keep on travelling up the hierarchy, as long as it is not solved. There should be automatic mechanisms which alert each higher level about the unresolved grievances at the next lower level as soon as the stipulated standard time has elapsed. One of the methods could be that of Lok Adalat or Social Audit Group.
<i>Sarvochha Lok Adalat</i>	15.19 The highest tier of grievance redressal at the bureaucratic level should be the Secretary (Public Grievances), who should be one of the seniormost Secretaries to the Government of India. He should be able to hold a monthly meeting to discuss unresolved grievances which need attention at his level. The meeting should have representatives of the administrative Ministry, and the Ministries of Finance and Law, all of whom are fully empowered to commit their Ministries to any course of action that may be jointly decided upon. In important cases, therefore, the concerned Secretaries may attend the meeting personally. The aggrieved party should also have the right to make a verbal representation before this forum, which may be called the Sarvochha (Apex) Lok Adalat. Decisions of this Adalat should be final and binding on all the Ministries of the Central Government.
<i>Calling for departmental files</i>	15.20 The Secretary (Public Grievances) is currently authorised to call for the file pertaining to any case of any Ministry and to pass any orders that he may deem fit, taking all the circumstances into account. It is not known how often or whether at all he exercises this power. But it would be salutary to have this power vest in him, and wherever necessary he could obtain the approval of the Cabinet Secretary or the Prime Minister, to lend the necessary weight and finality to his decision.
<i>Ombudsman</i>	15.21 We also need an Ombudsman outside the routine bureaucratic machinery. This could be a retired Judge or senior bureaucrat, who may be given a Constitutional or legal status. He would be available for attending to unresolved grievances and could intervene in critical matters. His hearings could be public, but without there being any lawyers. The complainant and the representative of the Government department could be heard and an appropriate order passed either setting a time limit to the matter being resolved by the department or in the case of a dispute, even deciding what line of action should be pursued.

GRIEVANCES OF EMPLOYEES AND PENSIONERS

Machinery

15.22 The grievances of employees and pensioners will have to be mainly dealt with by having multi-level points of grievance redressal, starting from the immediate boss and travelling through the layers of head of office, head of department, administrative secretary and so on. Time limits for grievance redressal should be fixed and adhered to.

Grievance Committee

15.23 Each Ministry should have an Employees Grievance Committee chaired by the Secretary. This should be the apex of a hierarchy of such Committees, starting from the field level. Unresolved grievances should travel quickly up the hierarchy, so that matters are set right within the shortest possible time. Personal hearings should also be allowed at each level.

Pension Adalat

15.24 For pensioners, we must create a multi-tier effective Pension Adalat system, fully empowered at each level to take short cuts, short-circuit procedures, reduce paperwork and come to reasonable, commonsense decisions which resolve the matter in issue on the spot. For policy matters, SCOVA should be fully empowered in the manner of the JCM, as has been mentioned in another Chapter.



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Management Information System

INTRODUCTION

Definition

16.1 Management Information System is an integrated approach to the design and use of a computer-based information system that provides summary information and highlights exceptions for corrective decision-making. Readily available and up-to-date information is a vital requirement for facilitating correct policy-making and monitoring and control over various programmes. MIS also enables the management to take concurrent corrective action in ongoing projects.

COMPARATIVE POSITION

Measures taken in other countries

16.2 Heralding improved MIS has been an inherent feature of administrative reforms effected in different countries of the world. In Canada an office of Information Management Systems and Technology headed by a Chief Information Officer was created for policy devolution, implementation and administrative reengineering of the existing information systems. In 1994, the Malaysian government introduced a Civil Service Link (CSL) as an on-line information database system to enable the general public to access information on government services at the touch of a button. This was preceded by massive computerisation and strengthened technology base in the management of public services. The ambit of administrative reforms in the United Kingdom included establishment of information systems in the principal areas of government departments like personnel records, finance, physical resources and procurement. An integrated approach to MIS was followed so as to share the available information between different government departments. Efficiency units were set up to determine departmental needs and recommend most suitable MIS for different governmental agencies. A body called the Government Centre for Information Systems was created for promoting effectiveness and efficiency in government through the use of information systems.

PRESENT STATE OF MIS IN INDIA

Ills plaguing the present system

16.3 Despite recent changes, government offices have not so far adopted Information Technology in a big way. Collection and compilation of information in government is being done on a very large scale by way of filing various returns, which engages most of the time of field functionaries. However, this vast information is not fully utilised because of its bulk and its delayed availability. In government departments information technology is mainly used for document processing. While such systems have improved the efficiency of operation of processes of a repetitive nature, they have not been used either for decision-making or for planning, because of which the scope for enhancing the effectiveness of organisations as a whole has been extremely limited. Most of the departments have taken up computerisation of their operations in isolation and at times their systems are not compatible with the overall computer network of the government being operated by NIC. There is no effective mechanism for exchange of information between various ministries/departments. At times, the left hand does not know what the right hand is doing. The bulk of information gathered by the government machinery is not, therefore, utilised efficiently and effectively. Quite often, information, in spite of being available, has to be collected from the concerned offices due to cumbersome system of retrieval or the same information is sought more than once by the same office. The information so collected is hardly used for monitoring of projects or for taking corrective action or even to update data inputs for policy makers.

Desirable attributes

16.4 Today the government machinery needs an MIS which will reduce duplication of efforts, streamline operations, make standard, accurate and timely information readily available at all levels, integrate government operations across the country, and take care of routine and repetitive processes which presently account for nearly 80 per cent of all government activities. The government, in its role as facilitator, should also make relevant data available to the private sector to facilitate its business interests, within the country and abroad

RECOMMENDATIONS

Developing a computer network

16.5 Each ministry/department should identify the type of information required at various levels for its designated functions and identify the sources for its collection. Thereafter an integrated software should be developed which should compile information fed by various sources and process it to facilitate its retrieval in the desired format by various functionaries. This will eliminate duplication in data collection, its compilation and transmission. The NICNET of the National Informatics Centre, which covers all the district headquarters in the country, should be utilised by all the ministries and departments of the central government. A common software should be devised by NIC for all govt. departments so that the systems being followed in different departments remain compatible. Even if individual departments have to develop specialised programmes for their specific functions, care should be taken to make their language compatible. The computers of various offices/departments should be networked so as to facilitate interchange of information between different offices/ departments/ ministries of the

government. NICNET, Internet connectivity should be provided to heads of all field organisations. Proper safeguards should be incorporated within the system so that only authorised officers can access the information, to prevent misuse or leakage of information available.

Devising new forms for submission of information

16.6 New formats should be devised for collecting information from field units by the head office/ministry. These monthly formats should be exhaustive and contain complete information so that the need for calling details repeatedly from field offices is obviated.

Departmental and functional management control systems

16.7 A new system should be developed for departmental and functional management control. The system should interact extensively with information generated at the operations level to summarise and present it in the desired format. The reports generated by this system should cater to both routine as well as ad hoc queries essential for decision-making.

Planning and control systems

16.8 For purposes of strategic planning and control at higher levels, a suitable information system consisting of related information from external sources supplemented with data extracted from the operational level of the department should be devised. This system should have an inbuilt capacity to cater to a large number of unstructured and unanticipated requests and should be able to support 'What-If' analysis to enable users to develop their own models.

Specialised software

16.9 Government departments should be given specialised software to perform functions which can lead to better analysis and result in time-saving.

Amending the existing procedures

16.10 Necessary modifications should be made in the current systems and procedures of the government to make them adaptable to computerisation and MIS.

Data Intelligence System

16.11 The data collected by government is quite exhaustive and can be of great use for private entrepreneurs in planning their operations. The government should develop a system whereby data having commercial value can be made accessible to private sectors for commercial use.

Recruitment

Introduction

17.1 Recruitment to posts in Government has become increasingly difficult in the context of the growth of the private sector, which is now in a position to provide much better remuneration and perquisites as compared to those offered by government for comparable positions. The age-old prestige attached to Government service and the associated job security would not appear to be adequate incentives to attract the best amongst the job seekers. Delay in completion of the recruitment process also has an adverse impact on the timely availability of personnel to man vacant posts. A review of the recruitment procedures and methodologies would, therefore, appear to be necessary.

METHODS AND AGENCIES FOR RECRUITMENT

Various methods of recruitment

17.2 Different methods of recruitment prevalent in Government for filling vacancies in different categories are (i) promotion (ii) direct recruitment (iii) deputation (iv) transfer (v) re-employment and (vi) short term contract. The recruiting agencies of the Central Government are involved in varying degrees in the recruitment process.

UNION PUBLIC SERVICE COMMISSION

Recruitment through UPSC

17.3 The Union Public Service Commission (UPSC) is a statutory body established under the Constitution. Article 320 of the Constitution contains details of matters which would require consultation with the UPSC. This provides inter alia, that all matters relating to methods of recruitment and principles of promotion that need to be followed for the civil service and civil posts shall need a reference to UPSC. However, based on convention and explicit Government orders, certain other matters have also been brought under the purview of the UPSC. These include proposals for upgradation/downgradation of posts, constitution of DPCs for promotion to posts in Central Civil Services and Group 'A' posts based on the principle of selection and not on seniority-cum-fitness, special recruitment to the scientists pool, etc.

Section III

Human Resource Development



सत्यमेव जयते

*Exemption from
consultation
with UPSC*

17.4 Similarly, the UPSC (Exemption from Consultation) Regulations, 1958 specify the matters which are excluded from its purview. These envisage that if the rules governing recruitment to the civil service or civil post concerned do not explicitly provide for consultation with UPSC, it is not necessary to consult the Commission in regard to selection for appointment in the following categories:-

- (a) to a post included in an All India Service, of any officer who is already a member of an All India Service;
- (b) to a post included in the Group 'A' Central Service, of any officer in the Armed Forces of the Union and any officer who is already a member of an All India Service or a Group 'A' Central Service;
- (c) to a Group 'B' Central Service or a post included in a Group 'B' Central Service, of any officer who is already a member of a Group 'B' Central Service, or a Group 'C' Central Service or of any officer in the Armed Forces of the Union; and
- (d) to a tenure post included in a Group 'A' or Group 'B' Service, of an officer of a State Service.

It is also not necessary to consult the Commission in regard to selection for temporary or officiating appointment to a post if such appointment is not likely to continue beyond a period of one year.

*Reduction of
work load of
UPSC*

17.5 In the context of the increase in the work-load of the UPSC responsible for direct recruitment to a large number of posts and of the inordinately long time, ranging from 12 months to 24 months, taken in completing the recruitment, it will be appropriate to reconsider the entire question of involvement of the UPSC in recruitment to all civil posts in Groups 'A' and 'B'. The question whether the UPSC needs to be consulted at all in respect of certain categories of posts needs to be considered afresh by the Government. Alternatively, Government could also consider the option of expanding the UPSC, opening regional branches of UPSC or establishing other Commissions. But on consideration of the various options, we feel that the best course of action would be to reduce the workload of the UPSC by exempting more categories of recruitment from its purview. Such consultation should be restricted only to recruitment of large numbers to organised services or cadres through competitive examinations, conducted at the national level. This would cover the Civil Services, Engineering Services, Central Health Service, etc.

17.6 In addition to making large scale recruitment to various organised Services/Cadres, the UPSC also recruits personnel to a large number of individual or isolated posts. Whereas UPSC has evolved standard procedures for recruitment to the organised Services, and is able to complete the process within a stipulated time frame, inordinate delays occur in cases of recruitment to individual or isolated posts. In the circumstances, the involvement of the UPSC should be dispensed with if the number of posts to which recruitment is to be made is less than 15 and the ministries themselves may be authorised to make recruitment. The Departmental Recruitment Committees constituted for the purpose should, however, associate outside experts. On reduction of its workload, the UPSC will

then be in a better position to adopt innovative methods of recruitment by modifying the present procedures and methods, and adopt other initiatives, such as campus interviews, walk-in-interviews, association of private recruitment agencies etc. so as to expedite the process of recruitment

STAFF SELECTION COMMISSION

*Other Agencies
for recruitment*

17.7 In addition to UPSC, Government of India has set up Staff Selection Commission, Railway Recruitment Boards and other agencies and entrusted them with the responsibility of recruitment to Group 'C' posts in Central Ministries, Departments and their attached and subordinate offices and for recruitment to certain specified Group 'B' posts like Assistants and Stenographers in the Central Secretariat. Vacancies in Central Government Establishments other than those filled through the UPSC or agencies like Staff Selection Commission are filled by the respective departments through notification to the nearest Employment Exchange and no department can fill any such vacancy by direct recruitment, unless the Employment Exchange issues a non-availability certificate. In the event of a conscious effort to reduce workload on UPSC, as recommended by us, the recruitment responsibilities shall need to be increased for Staff Selection Commission. Also, Ministries, Departments and subordinate organisations should themselves take up more recruitment responsibilities. Government should evolve procedures about nomination of experts, if necessary out of panels maintained by UPSC/Staff Selection Commission, to the selection committee to be constituted by Ministries/Organisations for this purpose. We do not suggest creation of another agency for recruitment by Government. The Staff Selection Commission, which has already opened many regional offices, needs to be expanded further to take over more responsibilities. This coupled with the responsibilities passed on to the Ministries/Organisations themselves will ensure speedier recruitment in Government.

PROMOTIONS

*Involvement of
UPSC in
promotion*

17.8 The UPSC is generally associated in finalising promotions at various levels in different services and cadres. It is necessary to review the different service rules with a view to ensuring that these do not contain provisions for consultation with the UPSC in respect of posts specifically exempted under the UPSC (Exemption from Consultation) Regulations, 1958. In addition, the regulations should be amended to provide that consultation with the Commission shall not be necessary in regard to selection for appointment to posts in scales of pay below or above the Senior Administrative Grade (Rs.5900-6700) in all Services/Cadres. The present practice of consulting the UPSC in cases of promotion from a Group 'B' post to a Group 'A' post should however, continue. Promotions to posts below the Senior Administrative Grade should be decided by the individual Ministries themselves, who need to be authorised to constitute DPCs irrespective of the fact whether the promotion is to be made by the selection or non-selection method. Association of a representative of the UPSC in the DPCs need not be insisted upon. In short, the UPSC should be consulted for promotion only at the time of promotion from Group 'B' to Group 'A', or from a lower post to Senior Administrative Grade in Group 'A'. All other promotions should be done by

the Cadre Controlling authorities themselves. Recruitment Rules should be reviewed to provide for composition of the DPCs in the manner suggested in this paragraph.

REDUCTION OF TIME LAG IN RECRUITMENT

Time taken

17.9 It has been brought to our notice that because of the inordinate delay in selection of personnel by UPSC, Staff Selection Commission, etc., the selected candidates lose interest and do not often join the posts. As a result, the vacancies remain unfilled for a considerable time, affecting normal functioning of Government offices. The present time lag between the notification of vacancies and issue of offers of appointment to candidates is very long and ranges between 15 and 24 months. There is a definite need to reduce this time lag. Besides, reserve panels should also be prepared by the recruiting agencies so that alternative panels could be made available to the indenting ministries wherever necessary. We feel that measures suggested in the succeeding paragraphs should be adopted with advantage by the Government departments and recruiting agencies to improve the situation.

Manpower planning

17.10 Departments/Ministries should do proper and scientific manpower planning with a view to ensuring that projections are made for vacancies likely to arise in the next five years or so. While making the projections, it should be ensured that all relevant factors like past trends of resignations within a year of appointment, candidates not accepting offers of appointment, unforeseen vacancies, etc. are duly taken into account. Recruiting agencies should initiate recruitment action on the basis of the projected vacancies, which may be subjected to modification based on an annual review of the projected five year manpower plan. Indenting departments should intimate the number of vacancies and changes therein directly to the recruiting agencies, with a copy to the cadre controlling authority.

Maintenance of Panels

17.11 Recruiting agencies should prepare a panel to cater to the vacancies notified by the indenting departments and, based on past trends and experience, the size of the panels should be so determined as to ensure that the requirements of the indenting departments are fully met-out of the panels. In cases of regular annual selection through competitive examinations, the currency of the panel should be valid till the panel on the basis of next annual examination is available. Vacancies resulting due to resignation or death of an incumbent within one year of his appointment should be filled immediately by a candidate from the reserve panel, if a fresh panel is not available by then. Such vacancies should not be treated as fresh ones.

Provisional appointments

17.12 The concept of provisional appointments needs to be introduced in Government to ensure that candidates selected by recruiting agencies are immediately appointed, on a provisional basis for a period of three months, without waiting for the completion of their medical examination and verification of character antecedents. The Temporary Service Rules would require amendment to provide that such provisional appointments could be terminated at any time without assigning any reasons. All efforts should be made to complete the medical examination and verification of antecedents during the period of three months that the provisional appointment would be valid.

Prompt
cancellation of
offers in cases
of delay

17.13 The time limit within which the selected candidates are required to report for duty should be drastically reduced and the offer of appointment to a candidate who fails to join within the period stipulated should be cancelled without assigning any reason.

OTHER MATTERS

Age relaxation

17.14 Demands have been made that the maximum age limit prescribed for direct recruitment to various posts should be increased. Besides, further relaxations of age have also been sought to enable departmental candidates to apply for appointment to posts filled by direct recruitment in their own departments and outside. We feel that the present provisions in this regard are adequate and further liberalisation is not necessary.

Recruitment
through specific
tests

17.15 It has been represented that, instead of placing an excessive reliance on the performance of candidates in university examinations, which is often not a very reliable indicator, recruitment to posts in government should be based on examinations or tests specifically conducted by the recruiting agencies for this purpose. It has been pointed out in this context that the standards adopted by different Boards and Universities for evaluating students are also not uniform. We feel that the apprehensions underlying the demand are genuine and the only way to overcome the problem would be to ensure that the suitability of candidates for appointment to posts is determined on the basis of specific tests or examinations conducted by the recruiting agencies themselves.



सत्यमेव जयते

Mobility Between Government and Other Sectors

Introduction

18.1 Mobility of employees refers to their capacity, in terms of flexibility in service conditions, to move in the course of their career to other services or posts in the Central Government itself, or in State Governments, public enterprises, autonomous organisations, international agencies, foreign governments and even the private sector. Conditions of service of government employees, particularly those relating to forwarding of applications, retention of lien in the parent department while working in other departments/ organisations, transfer of pensionary benefits in cases of permanent absorption or transfer, etc., have been liberalised and improved periodically so as to remove impediments in their movement to other sectors. But the extent of mobility is as yet quite insubstantial.

A liberal exit policy

18.2 A number of demands have been received by us urging that a liberal exit policy should be formulated to enable Central Government employees to accept employment in the private sector or abroad while retaining their lien in their parent departments. It has been contended that, apart from earning foreign exchange for the country, this would also help in restricting the size of government organisations. It has been suggested in this context that employees should be sanctioned extraordinary leave for the purpose, as is being done by certain State Governments like Kerala and West Bengal, as well as some public enterprises. Lateral entry of persons from other sectors into government service has also been advocated.

Position in State Governments

18.3 In Kerala, State Government employees are permitted to avail of leave without pay and allowances, whether continuously or in broken spells, for a total period of 15 years to accept alternative employment either within the country or abroad.

Position in PSU's

18.4 The National Hydroelectric Power Corporation Limited permits, on a selective basis, its employees who have been declared surplus to retain their lien for a period of two years to enable them to secure alternative employment in private organisations. Employees of Himachal Pradesh State Electricity Board are

permitted to accept assignments in companies in the private sector which have entered into memoranda of understanding with the State Government. Such assignments are normally tenable for two years, but can be extended up to five years. The period is treated as *dies non* for all purposes.

*Present position
in the Central
Government*

18.5 In terms of the Central Civil Services (Leave) Rules, 1972, not more than five years' leave may be sanctioned at a time to Central Government employees. These further prohibit the employees from accepting any employment either within the country or abroad or undertaking any commercial activities while on leave.

*Retention of
lien for
employment in
private sector
our
recommendations*

18.6 After careful consideration, we are of the view that it may not be desirable, as a general principle, to permit all government employees to accept employment in the private sector or abroad while retaining their connections with the Government. Quite obviously, acceptance of the demand would be detrimental to the interests of efficiency in government. The existing provisions in the rules requiring them to resign from government before accepting such employment are considered to be salutary and deserve to be retained. It may, however, have to be recognised in this context that many employees are apprehensive about exploring alternative careers in other sectors because of the uncertainties involved and doubts about their being able to adjust in an alien work environment. One of the major thrust areas of the Commission is also to devise measures for rightsizing the government machinery. For this purpose, it may be essential to ensure that exit from the government sector is easy and painless. Therefore, as an experimental measure, certain specified categories of employees could be permitted to retain their lien in their posts in government for a very limited period, say two years, while being employed in the private sector or abroad. During this period, it should be possible for them to make the transition from the government sector and to adjust themselves in the new work environment and to decide whether they would prefer to continue in their new assignment after resigning from government service or return to the post earlier held by them. This measure could conceivably act as an incentive for persons to consider quitting government service after being exposed for a limited period to a new work culture and environment. To begin with, this facility could be extended only to those categorised as Executives.

*Forwarding of
Applications*

18.7 The present rules governing the forwarding of applications for alternative employment from serving employees are considered to be adequate. These provide enough mobility while safeguarding, at the same time, the right of government to retain such of those employees as have been trained in specialised fields at government expense and are, therefore, obliged, in terms of bonds executed by them, to serve government for specified periods. They are not restrained, however, from accepting employment in State Governments, public enterprises and quasi-government organisations. In such cases, the bonds are transferred to the concerned organisations.

*Exemption from
Appointment on
Permanent
Absorption in
Autonomous
Organisations*

18.8 At present, Central Government employees can accept appointment in a public enterprise or autonomous organisation only on severing all connections with government. In view, however, of the fact that this restricted the capacity of those autonomous bodies which had only small cadres to obtain the services of personnel in specialised fields, detailed guidelines have been issued by government listing the cases in which exemption can be sought from the applicability of the

provisions relating to permanent absorption in so far as appointments in autonomous organisations are concerned. Besides, appointments of Chief Executives and the zonal and regional chiefs on deputation for a period of five years are also permitted in those Central public enterprises which are required to maintain continuous liaison and ensure coordination with State Governments and in cases where the expertise acquired in the State Governments is considered essential for organisational efficiency. In the specified cases, the autonomous organisations concerned are required to obtain the necessary exemption from the Department of Pension and Pensioners' Welfare. We are, however, of the view that once the guidelines themselves specify the cases where the requirement of permanent absorption may be dispensed with, a formal exemption from the Department as envisaged should not be necessary. Instead, the autonomous organisations may be given the discretion to appoint Central Government employees on deputation to the specified posts.

*Transfer of
pensionary
benefits*

18.9 Reciprocal arrangements presently exist to ensure that the services rendered by a Central Government employee in a State Government and vice versa are counted for pensionary benefits. The earlier provision in the rules which required the transfer of the pro rata pensionary liability to the borrowing government has now been deleted. On the same analogy, it has been demanded that this provision, which still exists, should be dispensed with in the case of appointments in autonomous organisations as well. This is on the ground that the autonomous organisations are fully funded by government grants. However, appointments in autonomous organisations, irrespective of the source of their funds, are not comparable, with those in the Central or State governments. The present arrangements in this regard may, therefore, continue.

*Lateral entry
in Government
Service*

18.10 Lateral entry of persons from other sectors into Central Government service could also be considered as the experience and expertise gained by them could be utilised with advantage in government. They must be encouraged to join on a time bound contract basis.

सत्यमेव जयते

Need for Contractual Employment

EMPLOYMENT

Introduction

19.1 One of the main points of criticism against government employees is that once they are appointed, they are there for life and no one can get rid of them. It is, therefore, necessary to see how in the new atmosphere of liberalisation, we can devise novel methods of recruitment which would not necessarily involve life-time employment. Contractual employment is the obvious alternative.

Present position in Government

19.2 Appointments on contract are generally not resorted to in the arena of public employment in the Government of India, except in a few areas requiring specialisation. A contract appointment is one under which an employee signs a legal contract with his employer to perform assigned tasks for a specified period on the terms and conditions (including remuneration and perquisites) specified therein. The need for contract employment particularly arises when a project work of a purely temporary nature is required to be undertaken for completion within a specified period or certain specialised skills and inputs are considered necessary for short durations. Generally, recruitment to all posts in government, which are likely to continue beyond a period of one year, is made on a regular basis, the general understanding being that persons so recruited shall continue in service on a long-term basis. Thus persons recruited for temporary jobs are shifted to another project or jobs of temporary nature and they are ultimately assimilated in the permanent work force.

Why we need contract employment

19.3 There is, therefore, a crying need to recognise time-bound temporary contract employment as a legitimate and accepted form of employment. The need for such employment also arises in the context of labour laws and general attitudes of courts, which had to protect the interests of labour and convert casual workers into permanent regular employees even if they are recruited for specified jobs on a purely temporary basis. Providing security in employment thus assumes greater importance than ensuring that the work of the Government is done at the minimum possible cost. The need for contract employment is also felt for the purpose of lateral entry for various positions at senior level where services of an expert in a

particular area of specialisation are needed. Such outside talent brings a whiff of fresh air into the musty corridors of Government and deserves to be encouraged.

SCHEME FOR CONSULTANTS

Details of the scheme for engagement of Consultants

19.4 A form of appointment for temporary work that is prevalent in the Government of India is the scheme of engagement of Consultants to undertake specific jobs of a specialised nature. Consolidated instructions on the subject were issued by the Department of Personnel & Training in their O.M. No. 16011/6/93-Estt (Allow) dated 31st December 1993. These stipulate that Consultants can be appointed to the extent of 10% of the total number of posts at the level of Joint Secretaries and above within a Ministry, including attached and subordinate offices. In the case of the Planning Commission, this restriction can be relaxed up to 25 Consultants in all. In the case of appointment of retired/retiring employees as Consultants, their total number in a Ministry/Department is not to exceed two at any given time. Employment of such Consultants is not to be made for work of a regular nature. In case this is resorted to under exceptional circumstances, the post earmarked for such work is required to be left vacant. The maximum period for which such appointment can be made is not to exceed two years in case of employment of outside experts and 6 months in the case of retired/retiring employees of the Ministry/Department. However, this scheme does not respond to the need for contract employments at all levels in Government, whenever work of a temporary nature arises.

COMPARATIVE POSITION ELSEWHERE

Position in Other countries

19.5 Temporary work is a common form of employment both in industrial and developing countries. According to a report of the International Labour Organisation (ILO), in some developing countries, the percentage of temporary work ranges between 30 and 50 per cent of the total employment, while in the industrialised countries, an average of 10-20 per cent is most common. Governments of most developing countries readily acknowledge the deployment of temporary personnel, though only very limited statistical data are available on such deployment. In certain developing countries like Bahrain, Kuwait, Zimbabwe, etc., which have a significant number of expatriate non-technical advisors, the only legal manner in which they can be recruited is on temporary contract. Contract employment for temporary work is regarded as very useful in structural adjustment programmes in the context of reforms in public service, reduction in size and reduction in job security. Contract employees, who are more vulnerable to termination than workers with a permanent status, go first when staff cuts are unavoidable. Any reduction in the workforce in the light of an economic crisis is easier to implement if the proportion of temporary workers is higher. It is easy to ensure smooth structural adjustments in a situation necessitating reduction in the size of the public service. Some countries, however, discourage temporary employment on the ground that most of the personnel recruited for temporary work lack professional skills and are not recruited by competition. The legal framework for such employees is also being constantly improved upon in a manner that they do not retain only a temporary status for a long time and, even while on contract, service conditions are more or less at par with those of permanent employees.

*Position in
private sector*

19.6 Appointments on contract are comparatively more popular in the private sector in India. The contract form generally used in the corporate sector for employment at higher levels provides in detail the duties and responsibilities, remuneration including perquisites like accommodation, office equipment at home, soft furnishing of home, servants, etc. It also provides for conditions of termination of service. Whereas a notice of two months is generally prescribed for termination of services from either side, services can be terminated by the employer without any notice when the employee is found to be guilty of misconduct, unpunctuality, neglect of duties, unauthorised absence, breach of confidentiality, etc. Such contracts also have a clause about applicability of current Indian legislation on employment contracts.

OUR RECOMMENDATIONS

*Recognition of
contractual
employment*

19.7 Taking into consideration all the factors discussed in the preceding paragraphs, we recommend that employment on contract basis in Government needs to be recognised as one of the legitimate forms of employment and should be resorted more frequently in certain situations like (i) replacement for temporarily absent personnel for a considerable duration ranging from one to five years (ii) time bound special projects, which are not likely to continue (iii) specialised jobs not normally required and (iv) for the purpose of maintaining a certain flexibility in staffing both for the purpose of lateral entry of experts, moderating the numbers deployed depending on the exigencies of work and ensuring availability of most competent and committed personnel for certain sensitive/specialised jobs.

*Amendment in
regulations*

19.8 At present, appointment against any post likely to continue beyond a period of one year is to be made on regular basis through UPSC, SSC, Employment Exchange etc. In case contract appointments are to be made by concerned Ministries/Departments, it shall be necessary to amend the UPSC (Exemption from Consultation) Regulations, 1958 to provide for exemption of all job-specific contract employment, which is to be continued up to a maximum period of 5 years. Regular appointment through UPSC should be required to be made only where it is likely to continue beyond a period of five years.

*Amendment in
labour laws*

19.9 It may also be necessary to amend the labour laws in the country to send a clear signal to the courts that short-term employment should be recognised as a legitimate mode of engagement of labour, and job security should not be accorded the preponderant attention that it has received in the past.

*Model Agreement
Forms*

19.10 The Model Agreement Forms circulated by Ministry of Finance in 1955 for contract appointment shall need a re-look and updating in the context of changes in employment/labour laws during the last four decades. The model should also provide for the description of duties/specific details of the job for which such contract employment is to be made.

*Modifications in
the scheme for
Consultants*

19.11 The scheme of the Government for engagement of consultants should be modified to provide for such appointments on contract basis. There should be a provision that the appointment of a consultant on contract basis should be made only after proper notification/due publicity of the vacancy and should not

be made in an arbitrary manner. Similarly, appointment of *retired* officers of the Ministry as consultants on project posts funded by UN/bilateral agencies should also be brought within the framework of present guidelines on engagement of consultants about tenure, proper notification/publicity for appointment etc.



Training and Development

IMPORTANCE

20.1 All the recommendations on administrative reforms will work only if a proper training programme to effect necessary changes in the work ethos of government officials is designed and implemented. The proposed re-structuring of the government offices and work procedures would cause a large scale re-deployment of existing staff-especially those in group 'D' and 'C' categories -who will have to be re-trained for taking up new jobs. In the new environment with emphasis on "customer orientation", attitudinal changes in the supervisory and executive cadres would also be necessary. Besides, training facilities will also be required for responding to rapid technological changes taking place at present.

EXPERIENCE OF OTHER COUNTRIES

*Training
mechanisms in
other countries*

20.2 In countries where civil services reforms have been undertaken in the recent past, the importance of training as a significant means of improving the human potential and increasing the efficiency of employees has been acknowledged.

Canada

20.3 In Canada, despite a series of cut-backs in operating budgets, expenditure on training and development has been maintained at previous levels or even increased. Employees are given total freedom to opt for a training of their choice. A substantial part of the training effort is delegated to individual departments. Public servants undergoing training in colleges etc. in their own time are reimbursed part of the cost incurred thereon and employees are encouraged to organise briefings and information sessions in their free time.

United Kingdom

20.4 In the United Kingdom, greater responsibility for training and development of employees is delegated to individual departments. The focus of training has been shifted to bring about necessary changes in the skills for better customer service. Training courses are devised on the basis of practical experience of different business houses which have improved their performance through proper training of their staff. Simultaneously, employees are encouraged to identify

their own job-related development needs and managers are given the responsibility for regularly catering to such needs

Malaysia

20.5 In Malaysia, training has been identified as a vital component in the implementation of the total quality management concept and the clients' charter. Provisions are made for training at all levels in the civil service. Attachment programmes to send Government employees to certain specified business houses in the private sector for exposure to practical aspects, practices of management and intricacies of business operations have been initiated.

THE PRESENT SYSTEM IN INDIA

20.6 The Indian Government has taken numerous steps to provide training facilities to its employees. Direct entrants to Group 'A' services undergo several institutional and in-service training programmes. Such programmes for Group 'C' and Group 'D' personnel are, however, less common. A Central Training Division exists in the Department of Personnel and Training which is responsible for promoting and coordinating training programmes of the different Central Ministries and Departments, providing guidance and help, sponsoring or arranging training courses on aspects common to different services and maintaining liaison with the States. This Division is also responsible for the training of Trainers and Coordinators of different Departments and Ministries.

20.7 In the government, there are various institutes conducting different training programmes. The Lal Bahadur Shastri National Academy of Administration at Mussoorie imparts training to IAS officers. Apart from conducting training programmes for fresh IAS probationers, it runs refresher courses for senior IAS officers. A week-long vertically integrated training is also being imparted annually to all IAS officers. There are other specialised institutions like the National Academy of Direct Taxes, Sardar Vallabhbhai Patel National Police Academy, etc. which provide training to officers of the IPS/Central services. These academies run foundational courses for direct recruits to the All India and non-technical Central Group 'A' services.

20.8 There are autonomous institutes like the Indian Institute of Public Administration, Administrative Staff College of India etc. which conduct several courses on administrative leadership, policy planning and so on. Some State Governments have set up training institutes for specialised courses. A large number of officers are also nominated for training abroad.

LACUNAE IN THE EXISTING SYSTEM

20.9 Training in India suffers from the twin ills of low priority and ad hocism. There is no well thought out perspective plan for training. Frequently there is no integration between training and performance or career development. Modules imparting the spirit of "customer orientation" amongst government employees are sadly lacking. The priority assigned to training is low and more often than not, an official is sent for training only because he happens to be free. Training needs of the staff are seldom identified. Due to lack of proper incentives, a posting as a faculty member of a training institution is not valued. Feedback

obtained from the trainees is not properly analyzed, and this leads to perpetuation of ineffective training programmes. While individual training divisions for imparting specific training have been created in some large ministries/departments, these do not exist in smaller departments.

RECOMMENDATIONS MADE IN CONSULTANCY REPORTS

20.10 In the sponsored study on 'Restructuring the Government office', Indian Institute of Technology (IIT), Delhi as well as Tata Consultancy Services (TCS) have made certain observations on this subject. IIT has observed that the present level of skills among the staff of government offices is very moderate, thereby indicating a need for better training. The training needs of staff are seldom identified and there is a growing need for adequate training mechanisms, for multi-skilling and redeployment of staff. TCS has proposed setting up of a training division in each department, which should compile an inventory of knowledge, skills and attitudes required for performing different jobs so as to rectify any gaps by proper training in a planned manner. The need for establishing a system for proper feed-back and periodical assessment of the impact of training being given to the employees, as well as linking training with other HRD functions like performance appraisal, promotions, recruitment, etc. has been emphasized.

DEVELOPING A NEW SYSTEM FOR TRAINING AND DEVELOPMENT

General Strategy 20.11 In the liberalised scenario where the government has to reduce its size while simultaneously increasing the productivity, the thrust of training for group 'C' and 'D' employees, which form a bulk of the work-force, will have to be towards multi skilling. All group 'D' staff should be trained in different skills so that they can simultaneously perform various functions presently being carried out by a plethora of auxiliary staff. In the case of group 'C' office staff in the Secretariat, proper training, enabling them to perform all the functions of executive assistants, should be devised. This should include training in use of computers and other modern office gadgets, shorthand, typing, drafting, noting and attending to phone calls. For group 'A' and 'B' employees, the emphasis has to be on bringing about an attitudinal change which is crucial to the success of the administrative reforms. Some specific recommendations on different aspects of training and equipment follow.

Creation of Training Groups under HRD 20.12 An adequately equipped training group for analyzing regular training needs as well as for arranging department-specific, post-specific and individual-specific training should be created in every department as part of the Human Resource Development team. This group should work out a detailed training plan specifying the kind of training required for each level and identify suitable training institutes and trainers therefor.

Common courses for all Services 20.13 DOP&T has already identified a number of institutes for running general training programmes funded by it. These institutes should run common courses for different services/departments so as to bring about a better interaction and commonality of approach between them.

<i>Foundational Courses</i>	20.14	Presently LBSNAA, SVPNPA and NADT conduct foundational courses for all direct recruits to the All India and non-technical Central Group 'A' services. Lately, IAS recruits are only sent to LBSNAA for the foundational course and only the recruits of the other All India and Central Group 'A' services are sent to the other two academies. This defeats the very purpose of the foundational course. We recommend that all probationers, irrespective of their service, may be distributed equally amongst these three academies. Further, direct recruits to Central Group 'A' technical services may also be sent for these foundational courses.
<i>Linkage with Private Sector</i>	20.15	There is a crying need for exposing government employees to the work processes, mode of functioning and pressures existing in private sector jobs. Accordingly we favour initiation of a new scheme of attachment of Probationary executives of the Government to certain selected and efficiently run private sector organisations for short durations. During this attachment, the probationers should be asked to perform some specific tasks which should be assessed for incorporation in their appraisal sheets. Short duration workshops and seminars with top ranking managers of private sector should also be organised for senior executives of the government in order to facilitate exchange of ideas and experience.
<i>New methods</i>	20.16	New methods for imparting training should be evolved and, as far as possible, employees should be allowed to choose their own training schedule.
<i>Linkage with Career Plan</i>	20.17	There has to be a direct relationship between the career plan of an employee and the training imparted to him. Although the present performance appraisal form has a column for training undergone and future training needs, not much importance is attached to it. We recommend that various training courses undergone by an employee should be counted for assigning proper gradings at the time of promotion and deputation to posts should be linked to the officer having successfully completed training in a related field. Besides, refresher training courses tailor-made for honing the skills required for handling specific levels may be conducted at regular intervals. All officials, after putting in specified years of service, should undergo these courses mandatorily, followed by a test. Employees who fail to clear the test even after two attempts should be classified as unfit for promotion. Furthermore, certain prestigious courses should be evolved on the Staff College pattern in the defence services, to which only officers whose performance has consistently been outstanding and who have been identified as potential leaders for the future are sent. Such officers, on successful completion of the training, should be picked up for manning the most sensitive and important assignments in the departments.
<i>Foreign training</i>	20.18	There is a clamour amongst government officials to rush for any kind of foreign training, irrespective of the fact whether it is related to their work or not. This tendency needs to be curbed. We recommend that government officials should be sent only to such foreign courses and training as have a direct relationship to their work and can be used for developing their skills further.
<i>Training of</i>	20.19	In view of changes envisaged in the functioning of the government.

Training of
executive as
facilitators

20.19 In view of change envisaged in the functioning of the government, there will be need for carrying out refresher course for executive at all levels, for effecting attitudinal changes to prepare them for taking up the role of "facilitators" instead of being mere regulators.

Special kinds of
training

20.20 In the case of professional services like medical and engineering, there is a need to introduce a proper training schedule at the middle level for broadening their horizons, updating their technical skills and fitting them for higher policy assignments. Similarly, in generalist services, there may be a need to re-orient them towards broad sectoral specialisations at a certain stage in their careers.

Feedback

20.21 Adequate review mechanisms for gauging the effectiveness and relevance of training programmes have to be developed. All training divisions should establish a system for receiving a proper feed-back on the effectiveness of a course from participants. Based on such feed back, the training divisions should develop mechanisms for pinpointing any lacunae in their training programme and institute immediate remedial action.



सत्यमेव जयते

Performance Appraisal

Objective

21.1 Performance Appraisal covers a broad ground and could be defined as the overall methodology by which an organisation is entitled to assess the performance and capability of an individual employee. Such appraisal is made every day, every hour, every minute by the superiors, colleagues, subordinates, clients, the courts, the media, members of the public. Organisations have periodic review meetings or are monitoring performance through which the performance of individual officers can be adjudged. But the chief, most commonly used, weapon is the Annual Confidential Report.

21.2 Annual Confidential Reports on the performance of government servants provide the basic inputs for assessing their suitability for being confirmed in service, crossing efficiency bars for drawal of further increments, promotion, deputation and other special assignments. Aimed primarily at improving the performance of employees, the main focus of the report is envisaged as being developmental rather than merely judgmental. It is intended to be true indicator of the strengths and weaknesses as well as achievements and shortcomings of an individual government servant and is thus an essential tool for proper personnel management. The system of writing annual confidential reports, therefore, has two principal objectives, which a Reporting Officer should be clearly aware of. The first is to improve the performance of the subordinate reported upon in his present job and the second is to assess his potential and prepare him, through appropriate feedback and guidance, for further advancement.

Present position

21.3 Major changes were introduced in the system of writing the confidential reports on three occasions in the past in 1975, 1978 and 1986. The format of the Report currently in force was introduced in 1986 after detailed deliberations in a workshop organised in the context of certain demands from the Staff Side in the National Council of the Joint Consultative Machinery that there should be greater openness in the system, assessment of the fitness of lower level functionaries for promotion should be dispensed with, etc. This format is based on the concept of 'management by objectives' in government and is the outcome of an attempt to make the system more objective and achievement-oriented. It envisages the evolution of new work culture based on performance and results and the assessment is, therefore, both quantitative and qualitative. Instructions currently

in force also provide that the reports on Group 'D' employees need not be maintained if they are not employed on sensitive jobs

ABOLITION OF CONFIDENTIAL REPORTS

Discontinuance in specified cases

21.4 We have received a number of suggestions that the Annual Confidential Reports should be discontinued. This has been justified on the ground that the system is defective and causes a great deal of dissatisfaction to the employees and that, instead of achieving the primary objective of improving employees in a positive manner, it has become an instrument of harassment and victimisation. Other suggestions in this regard are that (a) the reports should be written only during the initial ten years of service of an employee and discontinued thereafter; (b) the system may be retained only in respect of employees in Groups 'A' and 'B' and such of those Group 'C' employees as are eligible for promotion to Group 'B' posts; and (c) the reports should be discontinued in respect of posts to which promotions are made entirely on the basis of seniority-cum-fitness, i.e. by the non-selection method.

Our views

21.5 Quite obviously, in the absence of other effective methods of performance appraisal, it would not be desirable to restrict the writing of the Annual Confidential Reports only during the initial years of an employee's service. We understand that reports in respect of Group 'C' personnel employed in some of the State Governments are required to be maintained only if they are eligible for promotion to Group 'B' posts. We also recognise that the Annual Confidential Reports are only of limited utility in determining the suitability of personnel for appointment to posts to which promotions are made on the basis of seniority-cum-fitness alone. Though these factors might justify a review of the necessity for the continuance of the system in certain specified circumstances, the benefits under the Assured Career Progression Scheme separately recommended by us would be available only to those whose performance conforms to the prescribed standards and who fulfil all other prescribed criteria for regular functional promotion to posts in the relevant higher scales of pay. Besides, we have also recommended elsewhere in the report introduction of Performance Related Increments for all employees, including the Group 'D' personnel, purely on the basis of their performance during the year. An appropriate mechanism for the purpose will be necessary and the Confidential Reports would form the basis of assessment of performance for regulation of increments. In the circumstances, we are of the firm view that it will not be desirable to discontinue the system of Annual Confidential Reports. In fact, in the context of our recommendations aimed at improving employees' productivity and relating increase in compensation to performance, this should be reintroduced even in respect of Group 'D' personnel.

REFORMS PROPOSED

Summary of suggestions

21.6 There is a widespread demand for greater openness and transparency in performance appraisal so as to eliminate, as far as possible, any subjectivity in reporting. Some of the suggestions received by us in this connection

are: (a) the contents of the reports should be disclosed to the employee concerned so that he is aware of his capabilities and shortcomings and can strive to improve his performance; (b) the performance of an entire team should be assessed whenever necessary; (c) employees should be assessed not only by their superiors but also by their colleagues and subordinates; and (d) additional monetary benefits should be provided for employees whose performance is consistently of a high order and who are graded as such. It has also been urged that more than one report with an average grading should be treated as adverse and communicated to the employee concerned. A few have also suggested, on the other hand, that the grading of employees in the reports should be dispensed with and the reports confined only to a general appraisal of an employee's performance during the year.

Nodal Ministry's views

21.7 The Department of Personnel and Training appears to be averse to the communication of an average report to an employee on the ground that "average" performance is not considered to be adverse though it is not complimentary. It also appears that the demand for reports on performance of employees being open documents was considered in the early eighties, when the concept of an open system was not favoured. Instead, the present system which provides for a self appraisal by the employees themselves and assessment at two levels by the Reporting and Reviewing Officers was considered to be suitable for our conditions. According to the Department, this has been working reasonably well.

21.8 We find that there is already partial openness in the Armed Forces in the system of appraisal of the performance of Officers, who are shown the assessment of their performance, excluding the observations on their fitness for promotion. Openness of varying degree has been introduced by the State Governments of Kerala, Tamil Nadu and West Bengal. Some of the public enterprises have also introduced a participative system of performance appraisal for their Executives. The trend internationally is also to place a greater emphasis on detailed job assessment of every employee and understanding between a manager and his subordinates about their duties and responsibilities, the appraisal of an employee's performance and contribution now takes place on parameters known and agreed upon by the employee. This enables the manager to be more responsive to the organisational demands and is understood to result in a more satisfied and productive work force. The traditional approach to performance appraisal, which is primarily concerned with the past and usually leads to salary review or promotion, is being replaced by a new approach, a forward looking process known as Self Development Review, having its primary emphasis on the future of the employees and the organisation.

Our recommendations

21.9 In order to keep pace with the significant changes taking place globally, and in the context of our emphasis on increasing employees' productivity and relating increments to performance, we are of the view that certain changes in the present system of employees' appraisal are called for. Our recommendations on the reforms necessary are contained in the succeeding paragraphs.

Grading of overall performance

21.10 Under the present system of grading employees as "Outstanding", "Very Good", "Good", "Average", or "Poor", the finer and more subtle distinctions between different employees are not readily discernible. For instance, an employee may not qualify to be graded outstanding, but his performance may well have been

shades better than merely very good, which would rightly justify his being considered superior to another employee who may have earned only a very good grading. Finer distinctions in grading would be of considerable utility in ensuring that the most deserving among different employees are elevated to posts, promotions to which are based on selection and merit. These would be of particular relevance in the case of appointments to executive and senior duty posts. A more exhaustive and comprehensive assessment of personnel based on a point-rating system is already in vogue in the Central Police Organisations and the Armed Forces, and even individual traits and attributes are measured against a ten-point scale. The grading system followed in respect of civilians employees is, however, somewhat restricted in its scope and ambit.

Grading on a 10-point scale 21.11 In order to remedy this deficiency in the present system, grading of officers on a ten-point scale could be introduced for the Executive cadres. This need not, however, be as comprehensive as in the Armed Forces and the Central Police Organisations but could be confined only to the final, overall grading. The present system may, however, be retained without any change in respect of all other employees below the level of Executives.

Rating of 6 and below 21.12 A rating of six and below on the ten-point scale, which would have adverse implications for promotions based on selection for which benchmarks are prescribed, should be treated as being not good enough and communicated to the executive concerned. This would enable him to represent against the grading, should he feel aggrieved for any reason.

Detailed orders to be issued 21.13 In the context of our proposal to relate increments to performance and to facilitate the extension of financial benefits under the Assured Career Progression Scheme as well as promotions based on selection, Reporting and Reviewing Officers may be specifically required to assess and indicate the suitability of all categories of employees to (i) draw one or more increments, (ii) derive the benefits of the Assured Career Progression Scheme, and (iii) for promotion to higher posts, appropriate columns being included in the report form for the purpose.

Openness and Transparency 21.14 In order to ensure transparency in reporting and to serve the intended objective of providing a feedback to employees to improve their performance, partial openness may be desirable. For this purpose, the final grading of employees, as recorded in the confidential reports, should be conveyed to them. Besides, grading of an employee as "Average" is as harmful as adverse entries in the reports. This is sometimes resorted to by Reporting Officers in order to overcome the associated problem of communicating an adverse grading to the employee concerned and having to justify such grading. In the process, the employee reported upon is denied the opportunity to be aware of the quality of his performance and contribution, so as to enable him to improve or even to represent against the grading. In the circumstances, we are of the view that grading of an employee as an average performer should be treated as adverse and should be communicated. In fact, it may even be desirable to treat any grading below the benchmark prescribed for promotion to the next higher post as adverse and to communicate such grading to the employee concerned so as to afford him an opportunity to represent against an assessment that may adversely affect his career advancement. While receiving the

communication regarding an adverse entry or grading, the employee should also have access to the confidential report in its entirety.

Employee Appraisal to be a continuous process

21.15 With a view to securing greater objectivity in reporting and ensuring that the Annual Confidential Reports are more focussed and contain specific, and not vague or terse comments, assessment and appraisal of employees' performance should be a continuous process. For this purpose, officers responsible for reporting on their subordinates should maintain a weekly or monthly record of their impressions about the performance and contribution of subordinates, indicating inter alia important achievements, shortcomings, adherence to schedules for completion of specified tasks, etc.

Assessment to include Teams and department's performance

21.16 To be realistic and objective, performance appraisal should not also confine itself merely to an assessment of the traits and attributes of an individual employee. It has to be recognised that an employee does not function in isolation and that his performance and contribution are often influenced by the team and work environment in which he is required to function. Reporting and Reviewing Officers should, therefore, also endeavour to assess the performance of an individual employee in the overall context of the performance of his team including his individual performance and contribution as compared to that of other team members, as well as the entire office or department, identifying clearly the constraints in achieving the stated goals and objectives. The employee should thereafter be graded, assigning appropriate weightage for the contribution of the team and the office/department with reference to his own functional responsibilities.

Inconsistencies in reporting

21.17 If the entries in the confidential report of an employee for any particular year or period are inconsistent or entirely at variance with those recorded in the reports of earlier years, which could be attributable to bias or subjectivity on the part of the Reporting or Reviewing Officer, the employee concerned should have the right to get himself transferred to work under another Reviewing or Reporting Officer. In such a situation, the report in question should not be taken into account for determining the employee's suitability for promotion, increments, etc. However, if the reports for the subsequent year or periods are also similarly adverse, the earlier report should not be ignored.

Assessment of suitability for advancement and other benefits

21.18 Normally, Confidential Reports of the immediately preceding five years alone should be considered by Departmental Promotion Committees to assess the suitability of employees for career advancement and other benefits, unless reference to reports of earlier years is considered to be absolutely essential.

Quinquennial Review

21.19 At present, an exclusive reliance is placed on the Annual Confidential Reports for assessing the personality traits and performance of individual employees. For obvious reasons, the reports may not always reflect fully all the achievements and contribution of an employee or aspects of his functioning that may not be entirely complimentary or praiseworthy. We are, therefore, of the view that it would also be desirable to introduce a system of quinquennial review of the performance of personnel in the Executive (Group 'A') cadres by a group of officers. Apart from affording an opportunity to the executives concerned to present their achievements before the group and to dwell upon the

constraints under which they have had to function, such occasions should also be utilised to apprise them of any adverse reports on their functioning as may have been reflected in media reports, anonymous complaints, etc. and to ascertain their versions on such reports. In our opinion, the quinquennial review would reveal various facts of an executive's personality that are generally not discernible from the confidential report, howsoever objectively these may have been written. This would also be useful in determining whether the executives concerned are fit for further retention in service or whether they should be compulsorily retired by invoking the provisions of Fundamental Rule 56 (j). The group of officers to be associated with the review should be senior to the executives concerned and should have been closely associated with the departments or divisions in which the executives had worked during the period to which it relates.

Counselling

21.20 **Counselling of employees, which would be of particular significance in the case of employees adversely reported upon, should also form an integral part of performance appraisal.** This could be done by a group of officers intimately acquainted with the work of the concerned employee, including the Reporting and Reviewing Officers. The counselling would serve the twin objectives of providing the necessary feedback to the employees and improving their future performance.

DELAYS IN SUBMISSION OF REPORTS

Measures to eliminate delays

21.21 A major problem brought to our notice is that meetings of Departmental Promotion Committees are not held in many cases because of the non-availability of the Annual Confidential Reports attributable to their non-submission by the Reporting or Reviewing Officers, which results in promotions being deferred, causing avoidable hardship to the employees concerned. We are of the firm view that employees should not suffer because of the failure of the Reporting or Reviewing Officers to ensure timely finalisation of the appraisals. **Apart from obtaining special reports in such cases, it should be ensured that the schedule prescribed for the submission of self-appraisals and confidential reports is scrupulously adhered to by all concerned.** The concerned employees should also be informed of the non-receipt of reports for any particular period so that they could also make efforts to have them written. The present instructions which envisage that the reports should be written even if self-appraisals are not submitted by the employees to be reported upon should be strictly enforced. Delays on the part of Reporting Officers should also be adversely commented upon in their Confidential Reports. Computerisation of data relating to Annual Confidential Reports of employees by all departments would greatly facilitate proper monitoring and follow-up action. For this purpose, every office should establish a Confidential Cell as has already been done by certain organisations like the Border Security Force, which has set up a computerised Personnel Management Information System.

Promotion Policy

INTRODUCTION

*Existing Policies/
Procedures for
Promotion*

22.1 The problem of ensuring adequate career progression of the employees in government service is a perennial one that every Pay Commission has considered. Reasonable promotion opportunities ranging from 2 to 4 promotions in one's career have generally been accepted as a norm. Similarly, the principle that the more competent amongst the employees should get faster promotion has also become an accepted principle and is reflected in the adoption of the Limited Departmental Competitive Examination (LDCE) as a method of promotion by different departments. Also, it is precisely on this consideration that a concept of 'selection' in promotion has been introduced as against the predominant method of promotion by seniority subject to rejection of unfit, which is known as a 'Non-Selection' method of promotion. A concept of bench-mark for grading of Annual Confidential Reports for promotion purposes has also been introduced with a view to ensuring that merit is given due consideration in promotion. However, in respect of a majority of Government servants, promotion is entirely dependent on availability of vacancies in the higher grades. In spite of the formulation of detailed principles to sift the brighter amongst the employees for providing faster promotions, promotions are made generally on seniority basis, as even in case of selection, most of the employees are able to obtain the required bench-mark in the Confidential Report.

VIEWS OF PREVIOUS PAY COMMISSIONS

Second CPC

22.2 In view of the general practice that the promotions are based on vacancies in higher grades, disparities in promotion prospects have developed in different departments. This, coupled with a large scale stagnation in different Services/Departments, has resulted in a general demoralisation in government employees who have demanded that their career prospects should be improved. The Second Pay Commission found the reasons for such stagnation in the principle that grade structure of a service and their number were determined on the basis of the work to be done in the organisation. The extent of opportunity for promotion

was further regulated by prescribing quotas for direct recruitment and promotion determined in the best interest of efficiency of the public service. The Second Pay Commission, therefore, gave precedence to the functional requirement of public service over the career prospects of government servants for determining cadre structure of services.

Third CPC

22.3 The Third Pay Commission was faced with the demand of restructuring cadres so as to ensure at least two promotions in one's career. It considered the position of Group 'C' and 'D' cadres as acute and made specific recommendations for improvement in their promotion prospects, e.g. extension of study leave to Group 'C' and 'D' employees, age relaxation, creation of posts of Record Keepers, review of the need for direct recruitment at certain intermediate levels in Group 'C', introduction of departmental examinations and increase in existing promotion quotas. The Commission was, however, convinced that additional posts should be justified on the basis of functional needs and should not be created as an easy way of improving promotion prospects and for relieving stagnation. Standard of recruitment was not recommended to be diluted merely to open up promotion avenues.

Fourth CPC

22.4 For the problem of stagnation and inadequate promotion opportunities, the Fourth Central Pay Commission suggested provision of a rational cadre structure and elongated pay scales as solutions. Simultaneously, the Commission also felt that the system of career progression should be consistent with the functional needs and requirements of the organisation. It, therefore, refrained from laying down any rigid formulation about the number of promotions that an employee should get in his career and the length of service that should qualify for time-bound promotions. Cadre reviews were, therefore, recommended after regular intervals with a view to identifying the grades/posts which could be upgraded taking into account their duties and responsibilities, consistent with the need to promote efficiency in administration.

Cadre Reviews

22.5 As part of implementation of the recommendations of the Fourth CPC detailed guidelines were issued by Government for conducting cadre reviews of different services/cadres/organisations. The main thrust of the guidelines was that creation of posts in a cadre should not be solely for the purpose of improving promotion opportunities but should also be consistent with the functional requirement of these posts and improvement in the efficiency of the organisation. Review of the necessity for the continuance of a post in a changed situation with a view to abolishing all posts the continuance of which was no longer justified, and provision of matching savings for meeting the additional liability on account of a change in the cadre structure were some of the other broad principles that were to be followed for cadre reviews. Based on these guidelines, cadre reviews in different organisations, particularly in respect of posts in Groups 'B', 'C' and 'D' were to be conducted by the respective administrative ministries. Initiatives were taken in conducting such cadre reviews by different ministries but the general experience in this regard as reported to the Commission has not been very satisfactory. Wherever the cadre review exercise was initiated, it took a long period and remained inconclusive. In a large number of organisations, no cadre reviews whatsoever were conducted. Consequently, promotion prospects of a large number of employees were not improved by the scheme of cadre reviews recommended by the Fourth CPC.

Position of Group 'A' Services 22.6 Things have been a shade better for the organised Group 'A' Central Services, because the Department of Personnel & Training, which is the nodal agency for personnel management policies, accepted the responsibility for the periodic review of their cadre structure. The Department issued detailed guidelines on various aspects of cadre review of Group 'A' Services. However, the position about cadre reviews is not uniform even in these Services. Whereas 3-4 cadre reviews had been conducted in a number of Group 'A' Central Services by 1992, only one or two cadre reviews had been conducted in the comparatively larger number of other Group 'A' services.

22.7 Inadequate implementation of the recommendations of the Fourth CPC relating to the rationalisation of the cadre structure of different organisations/cadres has resulted in a situation where stagnation exists in different cadres in large number of organisations. The situation has become comparatively worse in respect of small cadres and isolated posts. Differences in the promotion prospects in various cadres and in different organisations and sometimes in different posts/cadres in the same organisation has led to a large number of demands about amelioration of the situation and in most of the cases, a demand has been made for the introduction of time-bound promotion schemes. Availability of time-bound schemes in different organisations, such as the P&T, Railways, Health, Scientific Departments and certain State Governments has given strength to this demand. A review of the existing promotion schemes in the State Governments and in different departments of Central Government is being presented here to appreciate the background of the demand made by a large number of employees for providing adequate promotions to them on a time bound basis.

A REVIEW OF EXISTING PROMOTION SCHEMES

Position in State Governments 22.8 In a good number of States like Arunachal Pradesh, Kerala, Rajasthan, Karnataka, Punjab, Haryana and Himachal Pradesh, time-bound promotion schemes have been introduced. In Arunachal Pradesh, all employees are placed in the next higher grade after completion of 13 years of service in a lower grade. After another 7 years of service or a total of 20 years service, they are entitled to the next higher grade. Similarly, in Karnataka, three time-bound promotions are provided after 10, 20 and 25 years of service in lower grades. In Punjab, Haryana and Himachal Pradesh, two time-bound promotions are ensured after completion of 8 years and 15 years of service in the lower grades.

Government of Rajasthan 22.9 The Government of Rajasthan introduced a scheme of time-bound promotion in January, 1992, permitting three selection grades to its Class IV, ministerial and subordinate service employees and those holding isolated posts on completion of 9, 18 and 27 years of service. For eligibility under the scheme, restrictions were imposed on its applicability to posts, the maximum of the scale of which was Rs. 3200 as in 1989. The third selection grade is given only if the first two selection grades were in scales of pay below the scale of Rs 2200-4000. Selection grades are given only to those employees whose service record is 'satisfactory'. The grant of selection grade does not affect the seniority in the cadre nor the sanctioned strength of each category of posts in the cadre.

Government of West Bengal 22.10 The Government of West Bengal introduced a scheme for improvement of career prospects of its employees in 1990. Under this scheme,

Government employees were allowed to move to the next two higher grades on completion of 10 years and 20 years of satisfactory and continuous service. However, when an employee becomes due for promotion in the normal course in the first higher scale with reference to the current promotion policy and quotas, he will not be eligible for any fixation benefit for the second time.

*Government of
Gujarat*

22.11 The State Government of Gujarat introduced a scheme of three time-bound promotions to higher grades for its employees in June, 1987 to deal with the problem of stagnation and restricted chances of promotion in different cadres. The scheme was applicable to all posts having pay scales, the maximum of which did not exceed Rs.3500. Higher grades were to be given after completion of 9, 18 and 27 years of service. The next higher grade was specified for each grade for this purpose. In cases where the promotion posts were in more than one pay scale, the lowest of such scale was taken into account for permitting promotions under the scheme. The applicable higher pay scale were also specified for posts not having any higher promotion grades. The scheme is limited in a manner that the highest scale admissible under the scheme does not exceed Rs.2500-4200 or Rs. 2200-4000, which is admissible on promotion from the scale of Rs.2000-3500. The appointing authority for the posts carrying higher pay scales is the authority who is competent to grant a higher pay scale to eligible employees, provided the employee is fit for promotion on the basis of his overall performance, qualification and passing of an examination wherever this is prescribed. Any employee getting a higher pay scale is required to give an undertaking that he will not refuse higher regular promotion as and when it becomes due and if he declines the promotion, he shall forfeit the right to hold the higher pay scale under the scheme. The combined total cadre strength continues to be the same even after the grant of the higher pay scale and those granted higher pay scales continue to perform the same duties.

*Government of
Kerala*

22.12 In Kerala, the scheme for time bound higher grades to State Government employees was first introduced in 1973 and the scheme has been further modified with effect from 1993. Three higher grades to be given after completion of 10, 20 and 25 years of service are well defined. This scheme applies to Group 'D' posts. However, those initially appointed to posts in pay scales ranging from Rs.950-1500 to Rs.2375-3500 are granted only two time-bound higher grades on completion of 12 years and 24 years of service. Those directly recruited to posts in the scale of Rs.2200-4000 are given only one higher grade on completion of 12 years of service. Besides, such appointees are entitled to this benefit only if a qualified senior not directly recruited has been promoted under the scheme. Those who are regularly promoted or appointed to a higher post within the period specified for time-bound promotion to a higher grade are not eligible for the time-bound higher grade. In case the pay scale of the regular post is higher than the time-bound higher grade prescribed, the pay on promotion to the regular post is fixed with reference to the basic pay notionally arrived at in the lower post. Army service is reckoned for computing the qualifying service for the grant of the first higher grade. However, civilian service in the Army is not counted.

*Position in
Public Sector
Undertakings*

22.13 Information collected by us reveals that, no time-bound promotion scheme exists in organisations like Hindustan Fertilizers Corporation Ltd., Indian Overseas Bank, Engineering Projects (India) Limited, Maharashtra Antibiotics, BHEL, Engineers India Limited etc. Certain Public Sector Undertakings (Hindustan Aeronautics Ltd. and Mazagaon Dock) have introduced time bound

promotion schemes but have restricted them only to lower levels, at the most up to the clerical level. National Fertilizers Limited has introduced a five year promotion scheme for workers who are allowed the next higher scale on completion of 5 years of service in the existing scale, if they are not promoted in the normal course for want of a vacancy. The facility is allowed only once during the entire service. Employees up to the level of Additional Managers are divided into two groups. The promotions within the group are not related to vacancies but promotions from one group to another are made on the occurrence of vacancies. In Rashtriya Ispat Nigam, the time-bound scheme covers employees at junior level and 75% of the incumbents in a grade are provided the next higher grades on meritorious completion of three years of service. Promotions to senior/top level posts are vacancy based.

*Department of
Posts*

22.14 In the Department of Posts, a "Time Bound One Promotion" Scheme (TBOP) was introduced in the year 1983 for employees in the basic operative cadres, and they were placed in the next higher grade after completion of 16 years of service subject to their being found fit by a DPC. The officials so promoted continued to perform their earlier duties till such time as they were placed in regular supervisory posts in their turn. The scheme was subsequently extended to the staff of administrative offices and regional offices in the field in 1993 and practically all operative Group 'C' and 'D' employees of the department, excluding officials of Inspectorial Cadre, Stenographers, some isolated post holders having analogous posts in other Departments/Ministries of the Government and Group 'D' staff of administrative offices, were covered under the Scheme. The Department of Posts introduced another scheme of promotion called "Biennial Cadre Review" (BCR) for all the employees, who were covered under the earlier TBOP Scheme. The review is done twice a year to provide a second promotion on completion of 26 years of service in the grade. The stated objective of the scheme is to provide promotion opportunities for the staff on the basis of functional justification. The required number of posts needed for such promotion are released in half yearly instalments on 1st January and 1st July, to provide promotion to those who are eligible. Creation of posts for the purpose is done by the Heads of Circles in consultation with Integrated Financial Advisors. Matching Savings were provided for introduction of the two schemes. For TBOP, 5% reduction in operative posts and 15% reduction in supervisory posts were offered, whereas in BCR, this cut was 1% and 5% respectively.

22.15 The promotion scheme in the Department of Posts changed the principle of career progression of Group 'C' and 'D' staff and introduced a new dynamics in personnel management and field operations. Hitherto, the promotion was linked to the post and with promotion the official was assuming higher responsibility along with availing himself of a higher scale of pay. There was clear distinction between operative and supervisory posts which was conducive for command and control in field management. However, since the number of supervisory posts were very few, nearly 92.5% of the employees in Group 'C' used to retire in the entry scale of service. The promotion schemes have remedied this unsatisfactory situation to a great extent so that a Postal Assistant recruited in the scale of pay of Rs.975-1660 is assured of getting promotion to next higher scales of Rs.1400-2300 and Rs.1600-2660 after 16 and 26 years of service respectively.

22.16 The department has, however, noted certain anomalies and functional problems in the implementation of the scheme. While anomalies were

of a transient nature, the functional problem are causing concern to the department. After introduction of BCR scheme, the supervisory allowance attached to supervisory posts was also discontinued, leaving no difference between supervisory and operative officials. This resulted in a situation where seniors were reluctant to assume supervisory posts. This situation has, therefore, compromised the system of close and purposeful supervision.

22.17 Introduction of TBOP and BCR schemes in the department has had a mixed effect. While it ensured reasonable career progression for employees, it also brought certain operational problems. The Department is trying to overcome these problems by modernising services, inducting technology, upgrading skills, etc. The department is also trying to build in a distinct supervisory cadre to man supervisory posts by a merit-based fast track promotion to meritorious officials, who upgrade their skills and acquire new skills.

*Department of
Health*

22.18 Ministry of Health and Family Welfare has introduced a time bound promotion scheme for its Doctors including various sub-cadres of Central Health Services. In case of General Duty Medical Officer, whose cadre structure is on the lines of an organised Group 'A' Service, promotion is ensured up to the level of Chief Medical Officer (Rs.3700-5000) in a total period of 10 years. Promotion to the level of Senior Medical Officer is ensured in four years, while another 6 years are needed for promotion to Chief Medical Officer (Rs.3700-5000) level. An alternative of a combined service of 10 years of which at least 2 years should be as Senior Medical Officer is also provided. Promotions to next higher grades are without any consideration about availability of posts in the higher grade. Thus, if an officer is promoted, the post held by him is automatically upgraded. The promotion to the higher grade is made on seniority-cum-fitness basis of those who clear the bench mark of 'Good'. Promotion to the grade of Rs.4500-5700 is restricted to 15% of senior duty posts i.e. all duty posts at the level of Senior Time Scale and above. This provision in CHS is at par with the provision in other organised Group 'A' Services.

22.19 In cases of other specialist sub-cadres, where induction is directly at the level of Rs.3000-5000, a time-bound promotion is ensured upto the level of Rs.4500-5700 within a period of 8 years. This is in consideration of the fact that recruitment to Specialist Grade II officers is made in the pay scale of Rs.3000-5000 with a postgraduate qualification in Medicine and an additional three years' experience after obtaining the postgraduate degree. All Specialist Grade II Officers recruited in the pay scale of Rs.3000-5000 are promoted to the scale of Rs.3700-5000 on completion of 2 years of service, subject to seniority-cum-fitness. The next higher grade of Rs.4500-5700 is given to them on completion of 8 years of service as Specialist Grade II. Promotion to this level is made without any consideration about availability of vacancies.

*Department of
Health Non-
Medical
Scientists*

22.20 The Supreme Court in Writ Petition (Civil) No. 1018 of 1989, Dr. Ms. O.Z. Hussain versus Union of India gave a direction for provision of promotion avenues on similar lines to Group 'A' Gazetted Non-Medical Scientists working in different organisations under the Ministry of Health and Family Welfare. The Ministry of Health and Family Welfare, therefore, formulated the Department of Health (Group 'A' - Gazetted Non-Medical Scientific and Technical Posts) In-situ Promotion Rules, 1990. The scheme organised all Group 'A' Scientists and Technical Officers who were working on regular basis on the date

of commencement of the scheme into a cadre and divided them into four levels namely Scientist Level 1 (Rs.2200-4000), Scientist Level 2 (Rs.3000-4500), Scientist Level 3 (Rs.3700-5000) and Scientist Level 4 (Rs.4500-5700) for the limited purpose of applying the in-situ promotion scheme to them.

22.21 The scheme provides for in-situ promotion to a scientific or technical officer holding a Group 'A' post up to and including the grade of Scientist Level 4 in the pay scale of Rs.4500-5700. A five year period is prescribed for promotion from one level to another. In addition, the scheme also provides for 8 floating posts in Scientist level 5 in the scale of Rs.5900-6700 and those having a minimum of three years service in the scale of Rs.4500-5700 are eligible for promotion to these posts. Wherever an Officer is promoted under these rules, the grade of the post immediately held by him is upgraded to the next higher level to which he has been promoted. The post, however, reverts to the original level on its vacation by the officer holding it. In cases where an officer continues to get promoted to higher grades, the post vacated by him reverts to the level of original recruitment to the posts.

PROCEDURE FOR EMPANELMENT FOR SENIOR AND MIDDLE MANAGEMENT POSTS

*Empanelment for
Joint Secretary*

22.22 There is a practice of drawing up a suitability list (known as panel) of eligible officers from the All India Services and Group 'A' Services participating in the Central Staffing Scheme. This exercise is normally conducted on an annual basis, by considering officers with the same year of allotment together as one group. At the level of posts of Joint Secretary and equivalent, the Civil Services Board (CSB) finalises the panel for submission to the Appointments Committee of the Cabinet (ACC). In this work, the CSB is assisted by a Screening Committee of Secretaries. The panel approved by the ACC on the recommendation of the CSB is utilised for making appointments to posts under the Government of India, but inclusion in the panel does not confer any right to such appointment under the Centre. Such appointments for posts of Director and above have to be again approved by the ACC. The cases of such officers who are not included in any panel in a particular year are reviewed after a period of two years. Another such review can be conducted after a further period of two years. A special review can also be made in the case of any officer whose Confidential Report undergoes a material change as a result of representation being accepted against recording of adverse comments in his Confidential Report. The cadre controlling authorities are informed about the names of Officers under their administrative control, as and when they are included in the panel. Stringent criteria of selection are applied to members of all the services.

*Empanelment for
Additional
Secretary/
Special Secretary/
Secretary*

22.23 Selection for inclusion on the panel of officers adjudged suitable for appointment to the posts of Additional Secretary or Special Secretary/Secretary to the Government of India and posts equivalent thereto is approved by the ACC on the basis of proposals submitted by the Cabinet Secretary. The Cabinet Secretary is assisted by a Special Committee of Secretaries for drawing up proposals for consideration of the ACC. Panels of suitable officers are drawn up on an annual basis, considering all officers of a particular year of allotment from one service together as a group. Inclusion in such panels is done through the process of strict selection and evaluation of such qualities as merit, competence,

leadership and a fair for participating in the policy-making process.

*Eligibility to
hold posts of US,
DS Director and
JS*

22.24 For manning the posts of Under Secretary, Deputy Secretary, Director and Joint Secretary, the eligibility of officers for holding these posts starts when they have completed 5 years, 9 years, 14 years and 17 years of service in group 'A', irrespective of the service to which they belong.

IN SITU PROMOTION

*Career
advancement for
Groups 'C' and
'D' employees*

22.25 A scheme of in-situ promotion for Groups 'C' and 'D' employees was introduced in 1991 to provide at least one promotion grade to those who are directly recruited to a Group 'C' or 'D' post and who could not get a promotion even after reaching the maximum of the scale. Such persons are placed in the next higher grade available in their normal line of promotion after following due process of promotion. In cases where a post is filled both by direct recruitment and promotion, a promoted employee senior to a directly recruited one will also get promoted in case a person junior to him is promoted to a higher scale under the scheme. The scheme is also extended to industrial workers. This is in fact a scheme for removal of stagnation and can hardly be regarded as a career advancement or promotion scheme.

FLEXIBLE COMPLEMENTING SCHEME

General

22.26 A Flexible Complementing Scheme (FCS) was introduced in 1983 on the recommendation of the Third Central Pay Commission to ensure that promotion of an officer in a Scientific Service from one grade to the next higher grade took place after a prescribed period of service on the basis of merit and ability irrespective of the availability of a vacancy in the higher grade. The scheme is available now in many of the scientific departments, organisations and institutions under the Government of India. The Scheme was originally made applicable to personnel in three critical scales (Junior Time Scale, Senior Time Scale, and Junior Administrative Grade in Group "A" services/cadres). In exceptional cases, it was also extended up to personnel in the non-functional Selection Grade (Rs.4500-5700). The cadre strength of the entire cadre was fixed on the basis of functional grounds and there was complete interchangeability of posts between JTS and STS provided number of incumbents in the two grades put together did not exceed the combined strength of two grades. The upward movement to JAG was also without any reference to availability of vacancies but it was subject to the condition that total number of posts so filled in the grade did not exceed 30% of the total strength of the cadre upto JAG level. In case the Scheme was extended to NFSG level, the total number of posts that could be filled in the grade was again 30% of the combined strength of JAG and NFSG put together.

*Promotion
procedure*

22.27 Promotion under the Scheme was made on the basis of 5 yearly assessment of eligible Officers by a Board, which assessed the technical performance on the basis of quantity and quality of research and even conducted an interview for the purpose. Promotion was made in situ and was personal to the concerned officer and did not result in any vacancy in the lower grade. The post,

however, reverted to the original level once it was vacated at higher level.

Drawbacks

22.28 The Scheme was further modified by many departments later to provide full flexibility by removing restriction on the number of posts and now provides career progression from the grade of Rs. 2200-4000 upto the level of Rs. 5900-7300, covering 5-7 scales in different organisations. In certain departments like Space, Atomic Energy and DRDO, the scheme had been extended at levels other than Group 'A' also. However, only a limited flexibility is allowed in other grades as against full flexibility in Group 'A' Services. The scheme, therefore, suffers from drawbacks like non-uniform application, differences in level of application, variation in the period of review (residency period), extension of scheme to directly recruited scientists in the Secretariat organisations, etc.

OUR RECOMMENDATIONS

*Assured Career
Progression
Scheme*

22.29 It is clear from the foregoing paragraphs that at present there is a proliferation of different types of promotion schemes in different departments. The basic trend of these schemes is, however, to provide an assured progression or in-situ promotion on personal basis to all the employees who have rendered a specified period of service. This trend is seen for all categories of posts, but in some Ministries like Ministry of Health, in-situ promotion scheme has been formulated only for Group 'A' Scientists whereas in some other Ministries like Department of Posts, a promotion scheme has been formulated only for Group 'C' operational staff. Existence of such promotional schemes only for certain section of employees in certain selected Department has generated a feeling of discontentment in the Central Government employees at large. Moreover, existence of time bound promotion schemes in different State Governments has also added to the feeling of discontentment in Central Government employees. **We, therefore, strongly feel that Government should formulate a promotion scheme which should cater to the promotion aspirations of Central Government employees in general belonging to different categories across the Ministries and Department.**

*Application to
R&D
Professionals*

22.30 In the above context, we recommend that the **Flexible Complementing Scheme of promotion should be extended to all Research and Development Professionals working in Research and Development Organisations and Departments declared as Scientific and Technical in Government of India.** The existing Flexible Complementing Scheme has been examined by us in this context and modifications have been proposed separately while dealing with Scientific and Technical Services.

*Basic features
of ACP*

22.31 For all other Central Government employees, we recommend that a comprehensive and coherent promotion scheme should be evolved which could assure adequate career progression in a reasonable time frame to all categories of employees. The basic features of this Assured Career Progression (ACP) Scheme have been worked out by us and are contained in the Annexure 22.1. The recommended ACP Scheme aims at providing a minimum of two promotions to each Group 'B', 'C' and 'D' employee and three promotions to each Group 'A' employee, in their entire career span, after appointment in a grade on direct recruitment basis. The proposed promotion under the scheme shall, however, be restricted to financial upgradation in the pay scale alone and shall not be linked to

the availability of a post in a higher grade on functional basis. The scheme will provide reasonable opportunity to all employees to move to higher grades, within a stipulated time frame.

Cadre Review

22.32 Introduction of the Assured Career Progression Scheme (ACP) shall, however, not end the need for adequate promotion avenues in one's cadre, based on availability of higher posts in the hierarchy. The need for regular cadre reviews of each service/department, as recommended by the Fourth CPC shall continue to hold good. The Department of Personnel and Training (DOP&T) has already issued detailed guidelines on cadre management of Group 'A' Central Services. The DOP&T itself conducts cadre reviews periodically once in 5 years, and as per latest decision of the Committee of Secretaries, this is to be done to cater to the functional needs of the service and career aspirations of its members. Demands have been made to the Commission for periodical and speedier cadre reviews for all Services/Departments in a manner that they meet the career aspirations of the employees and remove inter-service disparities in promotion prospects. We, therefore, recommend that the cadre review mechanism should be reviewed so as to bring uniformity in the career prospects of all Group 'A' Central Services.

*Need for
guidelines for
Groups 'B', 'C',
'D' employees*

22.33 The guidelines issued by the DOP&T for cadre review of Group 'A' Central Services are very elaborate and contain specific directions for ensuring the pyramidal structure of the cadre, appropriate structural ratios of different grades to provide adequate career prospects, threshold analysis to make an assessment of the future promotion prospects, provision of Probation Reserve, Leave Reserve, Training Reserve, Deputation Reserve etc. In comparison to these guidelines, the orders issued for cadre reviews of Groups 'B', 'C' and 'D' posts are very inadequate and prescribe only broad principles with an added emphasis on provision of matching savings. This results in a situation where adequate cadre reviews are not being conducted by ministries and departments and wherever cadre reviews are undertaken, they take comparatively a very long time and in many cases cadre review proposals are not even approved finally. Creation of posts as part of cadre reviews are brought within the purview of the ban on creation of posts and these proposals consequently never see the light of the day. The DOP&T should, therefore, issue detailed guidelines for the purpose of cadre reviews of Groups 'B' and 'C' and 'D' posts so as to ensure that these are conducted within a specified time frame and are not subjected to routine examination at different levels in the Ministry, once the review is conducted in accordance with the guidelines and by a committee having a representative of the Integrated Finance Division.

*Cadre Review
should reveal
surplus*

22.34 The Cadre review exercise should also take into account our general recommendations on right-sizing of manpower in Government. Since in a time frame of 10 years, a reduction of 30% of the existing manpower is recommended, the cadre reviews should ensure that an across the board reduction of 3% of the manpower per year is achieved. Surplus manpower should, therefore, be identified as part of the cadre review exercise.

*DOP&T cadre
review*

22.35 The DOP&T Training should also assume the responsibility for monitoring the progress of cadre reviews of different offices and different cadres under the Ministries so as to ensure that these are conducted every 5 years. In respect of those Group 'B' and 'C' cadres, which are spread over in different

ministries/departments and whose higher posts are ultimately centralised and recruitment to them is made through a common selection/examination/Limited Departmental Examination, the DOP&T should assume the responsibility for coordinating the cadre reviews, which may be done concurrently for all the concerned Ministries/Departments.

Making cadre review justiciable

22.36 We also recommend that the holding of a cadre review every five years should be included in the cadre rules of every service, so that the matter becomes justiciable and can be taken to a Court of Law by any section of employees that is aggrieved on this account.

22.37 The existing mechanism of work study by the Staff Inspection Unit of the Department of Expenditure should be dovetailed with the exercise of cadre review so that work-studies and cadre reviews are conducted concurrently by maintaining a balance in the functional requirements of a post and the career aspirations of the members of the cadre. In this context, it may be desirable to transfer the Staff Inspection Unit functions to Department of Administrative Reforms.

Selection Grade

22.38 Provision of selection grades has been a moderating mechanism through which disparities in promotion prospects available in comparable grades were removed. The Fourth CPC, however, recommended its discontinuance in general and for group 'C' and 'D' posts in particular and suggested provision for stagnation increment. The need for selection grade shall further diminish in the context of the Assured Career Progression (ACP) scheme recommended by us. However, in certain services the nomenclature of Selection Grade is used ordinarily to represent a tier of the organised cadre/structure, e.g. Non-Functional Selection Grade, Selection Grade in CSS (Rs.3700-5000) or Commandant (Selection Grade) in Central Police Organisations, etc. Selection Grades in such form may continue for the present but these also need to be reviewed. We would urge the Government to conduct this review immediately so as to do away with the concept of Selection Grade altogether.

Stagnation Increment

22.39 Rationalisation of pay scales and the Assured Career Progression Scheme, recommended by us would considerably reduce the need for stagnation increments. However, in certain cases, stagnation at the maximum of the pay scale may still occur. As such, after considering the demands made for liberalising the provision for sanction of stagnation increments, we recommend that the existing rules for grant of stagnation increments should continue. In case of Executives, the facility should be available only to the grades to which it is already available, subject to the condition that the basic pay plus the stagnation increment should not exceed Rs.22,000/- per month in the revised scales of pay.

Increase in Promotion Quota

22.40 In the context of acute stagnation at various levels, a demand has been made to the Commission to increase the promotion quotas in different grades, particularly those in the higher grades. Demand has also been made that vacancies under direct recruitment quota being not filled due to ban on recruitment should be diverted to promotion quota. In this regard, we feel that it is not possible to make any general recommendation to increase the promotion quota, as proportion of promotion and direct recruitment in any post/grade is dependent upon the strength of feeder grade. However, a fresh look can be given to the proportion of promotion

at various grades in different services and it may be revised depending on the situation of the cadre and in the overall context of maintaining efficiency. It may also be ensured that direct recruitment is not generally resorted to at two successive grades in a cadre. If it is so provided in the rules, the 'direct recruitment' to its higher grade should be changed to 'promotion', provided it does not affect the quality and functional needs of the cadre/organisation.

Isolated posts

22.41 Promotion opportunities to those holding isolated posts are almost non-existent. Since such isolated posts are filled by direct recruitment, incumbents of these posts generally retire in the same post to which they were recruited. Representations have been received by the Commission that in many cases, isolated posts are created even when the nature of duties assigned to the post are similar to those of a cadre post. We, therefore, feel that as a matter of policy, no isolated post should be created/ sanctioned in future in Government. Posts sanctioned by Ministries/Departments should always be a part of some organised cadre. If creation of a single post is indispensable, and it cannot be part of an organised cadre in the Ministry, efforts should be made to encadre such a post in an organised cadre existing in some other Department/Ministry. Such an attempt needs to be made even now and Ministries/Departments should review the isolated posts with a view to encadre them in an organised cadre in the Ministry/Department or outside it. In case creation of an isolated post becomes indispensable, the two higher scales to be given in a time bound manner under the Assured Career Progression scheme should be indicated in the orders for creation of the post itself.

22.42 In the Assured Career Progression Scheme (ACP), we have made a provision for financial upgradation to higher scale, even when there is no defined hierarchy and we have termed it as dynamic ACP. The dynamic Assured Career Progression Scheme shall apply to isolated posts. We have tried to identify two higher pay scales for each isolated post wherever feasible and wherever a demand for improvement in promotion prospects has been made to the Commission. Specific designations in terms of grades have also been indicated for such higher scales. However, in certain cases, it has not been possible, the Ministry/Department concerned shall identify such scales on the basis of similar posts in other departments for which we have identified the higher scales. While doing so, the different patterns approved for Secretariat and subordinate offices should be kept in view. In case of Group 'A' isolated posts, the next three promotional scales shall be Senior Time Scale (Rs.3000-4500), Junior Administrative Grade (Rs.3700-5000) and Non-Functional Selection Grade (Rs.4500-5700).

*Rules of
fixation of
pay on
promotion*

22.43 Demands have been received by the Commission that financial benefits on promotion are very nominal and they ought to be revised; a minimum of 10% addition in the basic pay should be ensured in case of a promotion. We are of the view that the minimum financial benefit on promotion should be around 3% of the basic pay of the employee. The rule for fixation of pay on promotion may be amended to provide an addition of 3% of basic pay in the lower grade or one increment in the lower grade, whichever is higher, and then fixation at the next stage in the higher pay scale. This method should be applicable in all cases where an employee is given a higher pay scale irrespective of the fact whether assumption of higher responsibilities is involved or not.

Basic Features of Assured Career Progression (ACP) Scheme recommended for Central Government employees

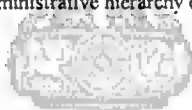
- (i) Every employee, recruited in a particular grade/scale of pay shall be allowed to move to his respective and specified higher scales on completion of specified period of residency in the lower pay scale, subject to fulfilment of usual norms of promotion. If this involves passing of a trade or departmental test or acquisition of a higher qualifications, that pre-requisite would have to be fulfilled before the benefit of ACP is given
- (ii) On placement in the next higher grade, the incumbent shall continue to perform duties of his original post and will continue to hold the old designation, till such time as he is actually promoted to the higher grade on the occurrence of a vacancy. In case of isolated posts, the post held by an individual shall get upgraded to the next higher grade but shall be filled at its original level, when vacated.
- (iii) Placement in the higher grade will entail only the financial benefit of the higher pay scale and associated entitlements like HBA, allotment of government accommodation, advances, etc. Other entitlements like invitation to ceremonial functions, deputation to higher posts, etc. which are generally dependent on the status of the employee shall continue to be determined with reference to his lower/substantive post/pay scale
- (iv) The number of financial upgradations to which an employee shall be eligible under the Assured Career Progression Scheme shall be two, in the case of non-executives, while in the case of executives, the number will be three.
- (v) The highest pay scale up to which the proposed financial upgradation shall be available will be Rs.4500-5700, i.e up to the present 'Non-Functional Selection grade' in organised Group 'A' Services. Beyond this level, there shall be no financial upgradation and higher posts shall be filled strictly on vacancy basis.
- (vi) The employees recruited at junior and middle Executive levels in the junior time scale (Rs.2200-4000) will get the senior time scale in a period of 4 years. The Junior Administrative Grade (Rs.3700-5000) will be available to them in another five years time. The next higher grade of Rs.4500-5700 will be provided in another period of 5 years. As such, a person recruited in the junior time scale will be able to attain the level of Senior

Time Scale in the 5th year, Junior Administrative Grade in the 9th year and NFS Grade (Rs.4500-5700) in the 14th year. This will be applicable uniformly to all organised Group 'A' Services and Group 'A' posts for which direct recruitment is made at the level of Rs.2200-4000.

- (vi) In case of Groups 'B' 'C' and 'D' employees, first financial upgradation shall be available on completion of 8th, 10th and 12th year of service respectively, provided the employee fulfils all the conditions for promotion to the higher grade and the employee has not got the vacancy based functional promotion, during this period. The second financial upgradation in case of Groups 'B', 'C' and 'D' employees shall be given on completion of a further period of 8, 10 and 12 years respectively.
- (viii) Financial upgradation to be given under the proposed Assured Career Progression Scheme will be in the next higher grade in accordance with the existing hierarchy in a cadre/category of posts. In cases of isolated posts, which do not have defined hierarchical grades, the two ACP grades shall need to be specified in respect of each such post and financial upgradation shall be given even when the higher scale does not form part of the defined hierarchy. Such upgradation shall be known as Dynamic Assured Career Progression Scheme. In case of common category posts, the two higher grades should be defined for all the departments under Central Government. Dynamic ACP will also apply in cases where an intermediate scale has been introduced without there being any redistribution of posts into that scale. This should be an interim measure, so that upgradation takes place with that scale without a post being available, but the attempt should be to meanwhile upgrade some posts to the newly introduced scale, so that it can become a normal scale to which a normal ACP on functional promotion can apply.
- (ix) The number of financial upgradations to be given shall be counted from the grade where an employee was inducted on direct recruitment basis. The number of financial upgradations shall be strictly adhered to and there shall be no additional financial upgradation for a senior employee on the ground that a junior direct recruit in the grade got higher scale under ACP Scheme.
- (x) On promotion to the next higher grade under the Assured Career Progression Scheme, the full benefit of pay fixation in the higher scale as in case of a promotion in a higher grade shall be given. Thus, on actual promotion in the higher scale on occurrence of a vacancy, no further financial benefit shall accrue.
- (xi) The higher grade under this scheme shall not be given to

those who had declined regular promotion earlier. In cases where a person who has been placed in a higher pay scale under the scheme refuses functional promotion involving higher responsibilities on the actual occurrence of the vacancy, the employee shall be reverted to the lower pay scale. As such, while giving the higher pay scale under the scheme, an undertaking should be taken that the employee shall occupy the regular promotion on occurrence of the vacancy, and in case he refuses to accept the higher post, he shall be kept out of the Assured Career Progression Scheme.'

- (xii) In case of an employee declared surplus in his organisation and in case of transfers including unilateral transfer on request, the services rendered by him in the department shall be counted along with his service in his new department for the purpose of giving financial upgradation under the Scheme
- (xiii) Introduction of the Assured Career Progression Scheme should in no case affect the normal promotion avenues available on the basis of vacancies. Attempts needed to improve the promotion prospects in an organisation on functional grounds by way of organisational study, cadre reviews, etc. should not be given up on the ground that the Assured Career Progression Scheme has been introduced. Rather, one of the brief objectives of cadre reviews should be to ensure that financial promotions are available within the residency periods prescribed under this Scheme for the purpose of grant of higher scale, wherever this is feasible without disturbing the administrative hierarchy of the department.



सत्यमेव जयते

Improving the Motivation Level

INTRODUCTION

- Definition* 23.1 Motivation is the inner urge to put in one's best. It is the real catalyst of action.
- External props* 23.2 Motivation levels can be improved by external props like salary levels, cash incentives, promotion policy, work environment and so on. These have been touched upon in the various chapters.
- Inner props* 23.3 There is an area of non-financial and non-external props for motivation. It is these that we will try to explore in this chapter.

WHY CHOOSE GOVERNMENT SERVICE AS A CAREER

- Variety of motives* 23.4 If one probes the question of why people choose Government service as a career, one would come across a variety of motives. Many of the motives are sub-conscious and probably only half-articulated. There are subtle forces at work here.
- 23.5 A number of people join the Government because it represents power, authority, status, the majesty of the law, rulership, being a part of the governing class. There are those who are in the Government because they are prepared to serve an anonymous employer called the State but not an individual called Lala Kanshi Ram. Others are in Government service because it is the only way they can serve the nation, the country, the poor, the illiterate, the starving millions. Some have a predilection for careers that exist only in the Government. They want to don the uniform of a soldier or a policeman, fly a fighter aircraft or be an admiral of the fleet.
- 23.6 It is necessary to appreciate all this, with a view to certain points for action mentioned hereafter.

<i>Targeting people</i>	23.7	We should target people at younger ages, when they are still fresh from college, they have not lost their idealism, they are not overwhelmed with the cares of family.
<i>Career Counselling</i>	23.8	In our target audience for career counselling, we must go for young people who want to come into Government service as the best method of putting in public service. That is why Government service should never pay a luxurious salary that may attract the wrong type of person.
<i>Testing of recruits</i>	23.9	Once a person is recruited, there should be a clear policy to subject him to certain academic and practical tests during his probation period, so that any wrongly motivated persons who might have been able to smuggle themselves in can be got rid of with comparative ease.
<i>Non-monetary symbols</i>	23.10	The non-monetary symbols of authority that establish the position of an executive in the Government as a member of a ruling elite should not be jettisoned. It is these outer emblems that create prestige and honour for Government assignments. Government officials should be treated with courtesy and dignity, and not be subjected to public ridicule. That is why it is necessary not to allow politicians to transfer senior officials prematurely without sufficient reason. That is why there should be no senior posts in Government that have just the pay and nothing else.
<i>Awards</i>	23.11	For civilian services too, there should be a mechanism of non-monetary rewards, as is prevalent in the military and police services. Fulsome praise in public does not cost anything, but it can be a very strong motivational factor. All supervisors should be trained in the use of praise. There should also be Distinguished Service Awards and Extraordinary Service Awards for civilians, so that they feel honoured for a life-time of devoted service as also for any highly innovative and extraordinary act of theirs.
<i>Qualities of leaders</i>	23.12	It has been seen that leaders who are positive, dynamic, forthright, innovative, adaptable, enthusiastic, optimistic and willing to learn can provide a tremendous momentum to any organisation or institution that they lead. It is unfortunate but true that in Government it is persons who are negative, static, tactful, status quoist, rigid, sedate, pessimistic and pretending to be know-all who survive and reach the top. If we want the first variety of motivated people to be the leaders, we have to hunt for them, choose them, protect them, encourage them and let them go ahead to do their own thing.

OUR RECOMMENDATIONS

	23.13	Our recommendations with regard to motivation levels are contained in the succeeding paragraphs.
<i>Age of entry</i>	23.14	The age of entry to the Civil Services Examination should be kept between 21 and 24 years, as it used to be in the past. Members of SCs, STs, OBCs etc should, however, continue to be eligible for the age relaxations as at present, with reference to the proposed ages of entry. Similar attempts to lower the age of entry should be made for all services, especially at the executive level

- Peg salaries at lower levels* 23.15 We have already pegged the salaries at a level lower than the private sector, so as to encourage only public-spirited persons to choose Government service as a career.
- Psychological tests* 23.16 Psychological tests are being used in the defence services, but not on the civilian side. These should be introduced, both at the time of initial selection as also later during the training and probation period. Acts of omission and commission during the probation period should be taken serious notice of.
- Transfer policy* 23.17 We have suggested that premature transfers of officers should not be allowed, except in accordance with the recommendations of a Civil Services Board. We have also suggested the abolition of certain posts of Secretaries which are more in the nature of sinecures than proper postings. We believe that posts like that of Secretary, Minorities Commission, Secretary, Inter-State Council or Secretary, Official Language do not carry even fifteen minutes' work. Such examples can be multiplied at all levels of Government. So long as such jobs are allowed to continue in Government, it is easy for anyone to demoralize an upright officer by posting him to one of these pleasant sinecures. Such posts should be assiduously identified and abolished forthwith. We must make the worth of charge of different posts of equivalent rank almost equal.
- Institution of Awards* 23.18 Distinguished Service Awards and Extraordinary Service Awards should be instituted in all Government departments. There should be a mechanism so that people at all levels have some Award or the other to look forward to. These Awards should be conferred after due deliberation, so that only the deserving get them. These should be presented to the recipients in public functions by high dignitaries.
- Emergence of Administrative Entrepreneurs* 23.19 We must change our entire way of looking at Government officers. Their chief quality should be that they can get things done, in the shortest possible time, with the minimum inputs. Everything in the system whether it is recruitment policy or transfer policy, performance appraisal or promotion, should be geared towards the emergence of what may be termed as Administrative Entrepreneurs, people who are prepared to take risks and stick out their necks for the public weal.

CONCLUSION

23.20 It is a mix of external props and internal props that can really motivate the right people to enter Government service and remain there. We have only suggested a few important areas of action, and these can be built upon in the light of experience gathered in implementation.

Accountability

INTRODUCTION

*What is
accountability*

24.1 Accountability in Government implies the subjection of the discretionary powers and authority vested in Government employees to outside scrutiny by various organs of the society. While it is indisputable that every public functionary has to be accountable for his acts and deeds, more so a Government employee who exercises sovereign powers vested in him. It is often said that Government servants in India are accountable to no one. In theory, this proposition is totally unsustainable. In practice, it is largely true. We will try to explore the reasons for such a vast gap between theory and practice, and suggest appropriate measures.

*Accountability
for what*

24.2 The accountability of a Government employee should exist, formally and in writing, for the following:

- Formulating policies in national and public interest and not to subserve the interests of a group or individual;
- Setting targets for completion of projects, programmes, schemes, facilities and services and fulfilling them within the stated time-frame;
- Setting standards of performance and sticking to them;
- Keeping discretion to the minimum and, where it is absolutely necessary, exercise the power in a fair, just and transparent manner; and
- Maintaining an open Government where any citizen may have the right to inspect any official papers to see how the decisions have been arrived at.

Conduct Rules

24.3 Currently, Government employees in the Central Government have certain duties and responsibilities under the Conduct Rules. These have to be completely re-written so as to be in accord with modern notions of accountability.

*Accountability
to whom*

24.4 Even today employees are accountable to a number of institutions, which may be categorised thus:

- Accountability to the elected representatives of the people
- Accountability to audit
- Accountability to vigilance
- Accountability to the customers
- Accountability to the judiciary
- Accountability to the media
- Accountability to God and one's own conscience

ACCOUNTABILITY TO ELECTED REPRESENTATIVES OF THE PEOPLE

24.5 All actions of Government employees can be discussed in Parliament. Elected representatives ask questions in Parliament and try to embarrass the Ministers when they are on a weak wicket. There are Committees of the House like the PAC, Estimates Committee, Standing Committee etc. where matters of policy and implementation are discussed.

24.6 This control can be made more effective than it is at present, if the following steps are taken:

- (a) Questions asked in Parliament should be based on better information backup.
- (b) Both Ministers and bureaucrats should be required to appear before Parliamentary Committees. Those bureaucrats who actually took the decisions now being questioned by audit should be made to personally appear before these Committees.
- (c) The Committees should also hear interest groups, experts outside the Government, commentators in the media, so that they get a rounded picture of a problem.
- (d) Discussions should be issue-oriented. The Committees should take up important issues and summon all the concerned Ministers and bureaucrats, belonging to different Ministries, who have a role to play in the decision-

making process.

- (c) Discussions should lead to well-drafted plans of action, stating clearly what changes in policy, law, rules, implementation strategy etc. are being recommended. There should be annual review meetings to ensure that previous reports are acted upon.

24.7 At the same time, **interference by elected representatives in day-to-day administration must cease.** They should themselves desist from writing letters about postings and transfers of employees, promotions, vigilance cases and so on. In case any such letter trying to unduly influence the decisions on these matters is received, it should not only not be acted upon but should lead to administrative action against the concerned employee.

ACCOUNTABILITY TO AUDIT

24.8 Audit can be a most potent tool for ensuring accountability. It has often unearthed major scandals and provided the necessary ammunition to other sections of the polity. There are, however, certain areas which need improvement.

24.9 The following suggestions are made.

- (a) **Audit should reorient itself to look more at the objectives of programmes or actions and whether such objectives have been achieved promptly, instead of being unduly concerned with whether the letter of a rule or a procedure has been flouted.** Dynamic individuals often break rules to achieve the target. If actions are performed bona fide, in public interest, without any ulterior motive, audit should laud those actions rather than being critical.
- (b) **Audit should try to be as concurrent as possible.** Scandals and scams are known even while they are being planned and executed. If audit draws attention to them forthwith in a well-publicised manner, such scandals can be halted in mid-stride. Post-mortems are useful but can only be conducted when the patient is dead. It is better to cure the patient and try to keep him alive.
- (c) **Audit should constantly look at systemic faults, areas of undue discretion, blatant exercise of arbitrary powers etc. and point them out at once, without waiting for a report from the Government.**
- (d) **Where major individual lapses are noticed, audit should ensure that the delinquent officials are also required to present themselves before the Public Accounts Committee. There should be adequate follow-up to ensure that disciplinary action is taken against those found guilty.**
- (e) **Government departments have also to develop a high degree of sensitivity to comments by the audit. The approach should not be to close ranks and rush to the defence of the delinquent official. The**

systemic defects should be removed at once and individual lapses punished with the utmost expedition

ACCOUNTABILITY TO VIGILANCE

24.10 Corruption is a major problem in Government today. The impression is that no work in Government can be got done without someone's palm being greased. This is unfortunate, as corruption is a canker that can destroy an entire society, howsoever modern and progressive it may otherwise be.

24.11 There is an existing machinery of vigilance, headed by the Chief Vigilance Commissioner, who is a Constitutional authority. Despite it, corruption thrives. Recently, the CBI has been galvanized into action, mainly prodded by the higher judiciary. This may, however, be a passing phase. What we need to build is a system which is not dependent on the action of a few individuals.

24.12 Corruption spreads from the top. 'As is the ruler, so is the citizenry', thus goes an ancient adage. We have to stem the tide at all levels, starting from the highest echelons of Government. The following suggestions are offered in this context:

- (a) As the corruption at the political level is the fountainhead of bureaucratic corruption, effective steps should be taken to eradicate such corruption or reduce it to the minimum. To this end we must

enact a new legislation which would eradicate corrupt electoral practices

set up a National Election Fund to provide adequate funds to political parties. Contributions to the fund could be open to companies and appropriate tax relief offered

pass the Lok Pal Bill at the earliest, covering both the political and bureaucratic leadership at the top. It should be given teeth in the form of an investigative machinery.

- (b) The Central Vigilance Commissioner should be strengthened further this could be done by

hiving off the Anti-corruption part of the Central Bureau of Investigation, renaming it as Central Anti-Corruption Bureau and placing it squarely under the Central Vigilance Commissioner

keeping the Central Vigilance Commissioner strictly aloof from the executive, through appropriate Constitutional safeguards and divesting him of routine functions of advice

- (c) There is a need for a high level Panel For Clean Government, consisting of the CAG, CVC and Cabinet Secretary, which could be used to pool information and take effective remedial measures for curbing corruption in high places.
- (d) Full time Inquiry Officers may be appointed by all important departments, to ensure that day-to-day hearings are held and departmental inquiries normally completed within 3 months.
- (e) Suspension should be resorted to only in serious cases where a prima facie case is made out. Once a person is suspended, he should not be reinstated till the enquiry is completed. Inquiry Officers should mandatorily be asked to complete the enquiries within a period of 3 months.
- (f) Government could take legal advice as to whether the provisions of Article 311 can be diluted with reference to employees who have either been caught red-handed under the Prevention of Corruption Act or who have been found after due investigation to be in possession of assets disproportionate to their known sources of income. In such cases, suspension could be made mandatory. The provision for revoking of suspension or increasing the subsistence allowance after six months need not be made operative in cases of this type.
- (g) Action on the lines of the Smugglers and Foreign Exchange Manipulators' Forfeiture of Property Act for forfeiture of ill-gotten property should also be extended to Government employees of the kind mentioned in sub para (d) above.
- (h) Reporting Officers should be permitted to record their views on the integrity of the official reported upon, even if it is based on his general reputation. Adverse reports on integrity received from three separate officers should be considered sufficient for initiating action under FR 56(J) for compulsory retirement.

ACCOUNTABILITY TO CUSTOMERS

24.13 All Government departments have customers whom they are supposed to serve. These are members of the public in general or some segment of the people in particular. A democracy does implicitly demand accountability of the Government to the customer, but this is through a circuitous route passing through the voter, the elected representative, the political executive and higher bureaucracy. What has been recognised recently is the need for a clear-cut accountability directly to the customer at the cutting edge level.

This is the genesis of the Citizens' Charter in the U K. and the Clients' Charter in Malaysia.

24.14 In India, a beginning has been made by the Consumer

Coordination Council which has recently drafted a Citizens' Charter for this country. The main themes of the Charter are quality, choice, standards, value, accountability and transparency. Under the head 'standards', each citizen will be entitled to expect the following:

- (a) **Explicit standards will be evolved, adopted and published and also prominently displayed at the point of delivery. These should include courtesy and helpfulness from staff, accuracy in accordance with statutory requirements, and commitment to prompt action.**
- (b) **The reasonable minimum and maximum response time, or frequency of providing services will be indicated, as far as possible in consultation with the users of the service to suit their convenience.**
- (c) **Standards should be scrupulously adhered to and the official concerned held responsible for ensuring such standards.**
- (d) **Standards once set should be frequently reviewed and improved, with simplification of procedures wherever possible.**
- (e) **If services are not satisfactory or standards are not adhered to, there should be a duly notified grievance redressal procedure, indicating clearly the response time for replies to complaints, with easy access to the concerned officials.**
- (f) **As far as possible there should be a single window disposal, instead of the citizen being pushed around.**
- (g) **At the very least, the citizen is entitled to a good explanation or an apology. In many cases, he should have the right to demand redressal and compensation. This would also imply the coverage of all governmental services under the Consumer Protection Act.**

24.15 A vigilant public can be created if there is full dissemination of information. Some State Governments have started publishing lists of all development projects sanctioned, area-wise, along with funds sanctioned, funds spent, agency of execution, target date of completion and the up-to-date progress. Such reports can be an effective method of keeping the customers of development projects informed of what is happening. Such steps need to be taken by Central Government agencies too.

24.16 We recommend that the Central Government should draft a suitable Citizens' Charter for this country, invite a national debate on it and then implement it promptly and effectively. It should also amend the Consumer Protection Act and enact a Right to Information Act.

ACCOUNTABILITY TO THE JUDICIARY

24.17 Under the Indian system of law, the judiciary is the supreme interpreter and protector of citizens' rights vis a vis the Government. The judiciary

has expanded its traditional role by adding the concept of public interest litigation. Some of the recent trends in judicial intervention are as under

- (a) The judiciary is taking stringent action against senior officers for disobeying or not fully complying with its orders. This goes to the extent of awarding extended terms of imprisonment. While it is extremely important that all judicial orders should be immediately and scrupulously obeyed, there may be some scope for moderating the law of contempt.
- (b) A number of orders are being passed by judicial officers at various levels, exhorting the executive to take action in fields which are relatively neglected. These may be the areas of environmental pollution, slum clearance, sanitation, housing for the poor, construction of roads or other amenities etc. Some of these may have received inadequate attention due to lack of funds or pressure of work. As such, some judicial orders may not be capable of immediate implementation without diversion of funds or efforts from other, possibly equally important areas of work.
- (c) In matters of malfeasance or arbitrary, discriminatory, mala fide or illegal acts, the Courts have started awarding exemplary damages to the public exchequer, not even sparing the Union Cabinet Ministers. Thus there is every likelihood of public servants being held responsible for acts of omission and commission vis a vis the public. This creates a direct accountability of the public service to its customers, and the trend is to be welcomed. In fact, it may be necessary to extend it further to cover all kinds of torts, negligence, inaction, delayed action, discourtesy, unresponsiveness etc. on the part of public agencies, with a summary procedure for award of relief or compensation, possibly through suitably empowered Consumer Tribunals.
- (d) The Courts have also pushed the Central Government into filing criminal cases and investigating them through designated agencies in a time-bound manner, by exercising direct and continuing supervision over the very process of investigation. This is somewhat unusual, but it has shown results in some highly publicised cases. While the "victims" are shouting themselves hoarse against what they label as 'judicial activism', they could possibly have invited the wrath of the judiciary by their inaction or motivated action over prolonged periods.

24.18 On the whole, the trends are to be welcomed. It is to be hoped that the executive will outgrow its initial reaction of being resentful about the so-called judicial encroachment on its jurisdiction and start narrowing the zone of its own inaction and inadequacy so as to make judicial intervention unnecessary.

ACCOUNTABILITY TO THE MEDIA

24.19 The print media in India have always been fiercely independent. The strength of the fourth estate has been enhanced manifold by the entry of the electronic media. Today, it is a common sight to see a public servant being

confronted with a camera and a mike at any odd place, be it outside the court room, his office, residence, even in a lift. This has made accountability to the newsmen, and through them, a wider audience something of a minute-to-minute exercise. Some of the points that arise in this connection are:

- (a) 'Man eats dog' is news. Newspersons are generally looking for sensational copy, an off-the-cuff comment that might spark a controversy or something that smells of a scandal or scam. We have to restore the balance to the news-generating machinery, so that humdrum facts about development are also reported upon.
- (b) Most of the time, we have one-sided stories, without there being a genuine attempt to find out whether the allegations being made are based on facts, or trying to get the version of the opposite party. This makes for lop-sided or motivated reporting.
- (c) What we need is a reporter who is well-versed in his subject, who has done his homework and assembled all the facts, who is aware of all the controversies, and who can draw out the interviewee by sympathetic questioning.
- (d) We also require media personnel who are so well paid by the industry that they are not susceptible to the varied blandishments that can be offered by various interested parties to purvey distorted stories in order to malign or scandalize.
- (e) In the Indian context, it is important to stress the fact that as a nation we are fond of self-flagellation. It is our national hobby. The media should, therefore, deliberately, as a matter of policy, report on positive events, millions of which are taking place in our country every day. If Surat saw plague, it also turned into one of the cleanest cities of the country within an year. Yet, as against the daily headlines about the plague, how many articles have we read about the clean up?
- (f) The media itself is under watch. Many newspapers now have inhouse ombudsmen, there are media critics writing about its performance and the Press Council of India maintains an overall watchdog role. Such internal "censorship" is to be welcomed.

ACCOUNTABILITY TO GOD & ONE'S OWN CONSCIENCE

24.20 In a modern society where atheism is fashionable and "conscience" has capitulated to "convenience", it may seem anachronistic to talk of God and one's own conscience. Yet, millions of people still believe that God is our true Self and if one listens hard enough one can hear the still small voice of our conscience.

24.21 In the final analysis, the only controls that can work effectively are internal ones. It is when human beings hold ideals that they cherish, when they have role models they live upto, when there are virtues of truth, honesty, integrity, devotion to duty, patriotism, love of one's fellow-beings, non-

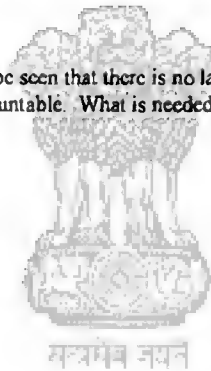
violence, peace and brotherhood that they try to imbibe that a society can progress and be truly civilised.

24.22 But this can happen if the leaders of society, be they intellectuals, bureaucrats, politicians, traders, farmers or workers, eschew the cult of violence, selfishness and hypocrisy; when the older generation, by its conduct, becomes a role model for the younger generation, when there are people of vision, farsightedness and statesmanship who are chosen by the people to rule over them; and when the thieves, dacoits, forgers and smugglers are kept firmly behind lock and key.

24.23 In every service, there are good people. In fact, they constitute the silent majority. It is time that there is an internal revolution of the psyche. Recently, the State Association of a premier Service threatened to hold a secret ballot to vote the "three most corrupt persons in the cadre." The move was scuttled under pressure. Such self-regenerating movements within the bureaucracy should be encouraged. There should be open dialogues and debates on what the country has been reduced to. All good men should speak up and unite.

CONCLUSION

24.24 It will thus be seen that there is no lack of agencies that can hold a Government employee accountable. What is needed is to activate, refurbish and galvanize these agencies.



Transfer Policy

PRESENT POSITION

*Guidelines of
Department of
Personnel*

25.1 The Department of Personnel & Training has issued certain instructions in the nature of guidelines from time to time on various issues related to transfer. These relate to posting of physically handicapped candidates, husband and wife at the same station, staff working in sensitive posts, etc. The guidelines are not exhaustive and do not provide instructions for all situations. These policy guidelines are also not mandatory in nature but provide only policy options within overall constraints of administrative convenience.

*Position in
some Ministries/
Departments*

25.2 Various ministries of the Government of India have formulated detailed policy guidelines which lead to follow the instructions issued by the Department of Personnel and Training and also take into account the specific requirements of individual Ministries. The transfer policy of the Railways, for example, discourages frequent transfers and insists on a fixed tenure for each posting in order to ensure administrative continuity and stability to the incumbent. The transfers for lower categories of employees are confined to their zone. Transfer requests across zones to mitigate individual cases of hardship are entertained, giving due consideration to the fact that such transfers do not affect the seniority of existing employees. The transfer policy of the Ordnance Factories Board under the Ministry of Defence has four bound obligations: functional

requirements, career development of officers through wider exposure, rotation from sensitive posts and accommodation of requests on compassionate grounds

*Central Police
Organisations*

25.3 In the Central Police Organisations, the guidelines issued by the Department of Personnel are the main basis of the transfer policy. Since their personnel have the liability to serve anywhere in India, there is an exercise for change of personnel from difficult areas to normal areas and vice-versa. In static units, a normal period of stay of three years has been prescribed, while a tenure of two years has been prescribed for difficult areas.

DEMANDS

25.4 In spite of the existence of policy guidelines on transfers, there is a definite feeling that the instrument of transfer is widely misused in the country, particularly by politicians in power, to subjugate the government employees. Transfer is also used as an instrument of punishment. While the Conduct Rules provide for other contingencies such as suspension, demotion, withholding of increments and dismissal, these do not provide any safeguards against unjustified transfers. Demands have, therefore, been made that any transfer before the expiry of three years in a post, should be made appealable, particularly if it has been made at the behest of politicians. Other demands are for the prescription of a minimum tenure for a posting, restricting the transfer to one's home town or home state, for groups C and D employees not to be subjected to transfer, for transfers not to be made in mid academic session and if made, to be compensated for in monetary terms, and so on.

OUR RECOMMENDATIONS

25.5 We have considered these demands and feel that many of the grievances of the employees can be met if their departments formulate detailed, clear and transparent transfer policies. There cannot be a uniform transfer policy for all the Central Government Departments/Organisations, as their administrative requirements differ. Departments whose personnel have a liability to serve anywhere in India have already formulated transfer policies based on the guidelines issued by the Department of Personnel and Training and cases are stated to be dealt with in the manner according to such guidelines. Departments which have not

evolved any guidelines/policies on transfer should do so at the earliest so as to eliminate any possibility of arbitrariness in effecting transfers. The propositions contained in the succeeding paragraphs may be used as general guidelines for inclusion in the transfer policy to be formulated by different departments.

*Need for
detailed
guidelines*

25.6 Detailed guidelines should be formulated and publicised by each department as part of a comprehensive transfer policy so as to ensure that arbitrariness in transfers is altogether eliminated and transfers are effected in as transparent a manner as possible. The guidelines so formulated should take into account various instructions issued by the Department of Personnel and Training from time to time, particularly those related to transfer/posting of married couples at the same station, posting of physically handicapped employees, posting of employees having mentally retarded children, rotation of staff working in sensitive posts, etc.

*Prescription
of minimum
tenure*

25.7 To ensure administrative continuity and stability to incumbents, frequent transfers should be discouraged and a minimum tenure for each posting of officers should be predetermined and it should normally be 3 to 5 years, except in cases where longer tenures are justified on functional requirements like continued availability of certain specialised skills. In the case of sensitive posts, where opportunities exist for developing vested interests, the tenure of posting should be defined for a shorter period, which may be 2 to 3 years.

*Transfers not
in mid-session*

25.8 As far as possible, transfer orders should be issued before the end of the academic year so that these are implemented at the end of the academic session. Wherever transfers are made in mid-session, facility to retain Government accommodation up to the end of the academic session should be extended, if the Government employee has a child studying in that station.

*Reasons for
premature
transfers*

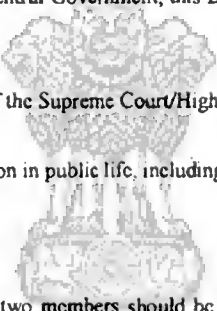
25.9 Any premature transfer before completion of the prescribed tenure should be based on sound administrative grounds which should be spelt out in the transfer order itself. The transfer order must, therefore, contain detailed reasons for the transfer. Officers should be given a right to appeal against such orders, if they feel aggrieved and a provision for a summary procedure to deal with such situations should be made within each department. In case of emergency, when such orders are made in the exigencies of public interest and have to be implemented at once, representations against a transfer order should be disposed of by an authority superior to the officer ordering the transfer after personal discussion, if possible on the same day.

*Transfer not
to be misused*

25.10 The instrument of transfer should not be allowed to be misused either by the bureaucrats themselves or by politicians in power. It should not be used as a means of punishment by circumventing the procedure laid down for disciplinary proceedings.

*Constitution of
Civil Services
Board at the
Centre and in
the States*

25.11 While the right of the politician to have some say in postings to some of the senior duty posts in the administration cannot be denied, there is a need to evolve certain norms in this regard. Thus while every new Prime Minister/Chief Minister may take decisions on appointments to certain key positions, decisions on transfer or removal of the concerned officers when there has been no change in the incumbency of the Prime Minister/Chief Minister should be taken only after the same has been examined by a high-powered Civil Services Board, comprising at least three persons. The Central Government and every State Government should constitute such Boards, consultation with whom should be made compulsory before ordering any premature transfer. In case of the Central Government, this Board may have the following composition:-

- 
- (1) A retired Judge of the Supreme Court/High Court.
 - (2) A prominent person in public life, including a retired senior bureaucrat.
 - (3) Cabinet Secretary

*Selection of
Members of
Civil Services
Board and its
jurisdiction*

25.12 The first two members should be chosen jointly by the Prime Minister and the Leader of the Opposition in the Lok Sabha. At the State level, the composition should include persons at Sl. No. 1 and 2 above who shall be selected jointly by the concerned Chief Minister and Leader of the opposition in the State Vidhan Sabha. Instead of Cabinet Secretary, the Chief Secretary of the State shall be the third member. The senior positions that should be brought under the purview of this Board should be the following:

In the Central Government

1. Cabinet Secretary (if his case is being considered, he will not be a member of the CSB)
2. Secretaries to the Government of India and their equivalent
3. Additional Secretaries to the Government of India and their equivalent

All heads of organisations like Directors General of C P Os , D G H S ,
DG, CPWD, of the rank of Joint Secretaries and above

In the State Government

- 1 Chief Secretary (If his case is being considered, he will not be a member of the CSB).
- 2 Secretaries to the State Government and their equivalent
- 3 All Heads of departments in Senior Administrative Grade and above
4. All IPS officers of the rank of Additional DGP and above
5. All IFS officers of the rank of CCF and above
- 6 All District Magistrates and District Superintendents of Police

*Procedure for
effecting
premature
transfer*

25.13 Wherever the premature transfer of any of the above officers is required to be made, the Secretary (Personnel) will have to submit a written memorandum before the Civil Services Board, giving reasons for the transfer. The concerned officer will have the right to appear before the Board and make his submission

*Procedure for
rejection of
Report of
CSB*

25.14 The report of the Civil Services Board on the proposal of premature transfer will normally be accepted by the Government. **Wherever it is rejected, the proceedings in full will have to be placed on the Table of the House at its next session.** Copies of all documents would also have to be supplied to the officer, so that he may have recourse to the courts, if necessary.

*Our views on
bureaucracy*

25.15 It is the considered view of the Commission that unless the backbone is restored to the higher bureaucracy by recognising that they have a constitutional role to play in the system of governance, India can never have an administrative system of which it can be proud

*Departmental
Boards*

25.16 **Every Department should also have a high powered Board to review the cases of all premature transfers of Group 'A' officers and should serve as an appellate body for all such transfers which may be regarded as malafide by an employee**

<i>Compensation for premature transfer</i>	25.17	An additional month's pay over and above the existing transfer allowance should be paid by the transferring department if an employee is transferred prematurely within a period of one year of his earlier transfer. In spite of this, if an employee complies with the orders and then represents that the transfer was malafide, the amount shall be recovered from the salary of the superior officer if it is subsequently proved that the transfer was, in fact, effected with malafide intent, under political pressure or for any other extraneous consideration.
<i>Transfers of Groups 'C' and 'D' employees</i>	25.18	In the case of employees in groups 'C' and 'D' recruited on a regional basis, postings should be given in the home town/home district, wherever feasible, and transfers restricted within the region and zone. All reasonable opportunity should be given to volunteers for posting/ transfer to difficult/unpopular places. However, if enough volunteers are not available, postings should be made for a short period to these stations on compulsory basis with a clear assurance of change in posting after completion of the tenure. Posting of choice should be given, as far as possible, to those who accept unpopular compulsory postings.
<i>No transfer of Group 'D' employees</i>	25.19	No transfer of Group 'D' employees from one station to another should normally be resorted to except in very special circumstances like adjustment of surplus and deficiency, promotion, exigencies of service, mutual transfers etc.
<i>Transfers of employees about to retire</i>	25.20	Generally, transfers should not be made after a Government servant has attained an age three years less than the age of his superannuation and wherever possible a retiring Government servant should be transferred to a station of his choice, three years prior to his superannuation.
<i>Government employees to be charge-sheeted for bringing political pressure</i>	25.21	Government employees should not be permitted to bring political or other extraneous pressure to bear on the Government or on the transferring authorities in the matter of transfers. Any Government employee who brings such pressures should be proceeded against under the Conduct Rules. The present practice of taking action on letters received from outside agencies including Ministers, MPs, Bureaucrats and other members of the public has to be stopped forthwith. All such references may be used only for the purpose of taking departmental action against the Government employees for whose benefit such letters have been written.

Size of Employment under the Central Government

INTRODUCTION: SOURCES OF STATISTICS

The significance of the size of Government Machinery

26.1 The size of Government machinery is critical for the success of any drive for efficiency and economy in Government, where value for money must be delivered to the tax payer. In fact any effort to optimize the size of Government machinery would come to a complete naught in the absence of a robust statistical information base on subject. Our terms of reference also require us to study the financial implications of the various alternatives before making our recommendations. This exercise invariably requires the size of Government employees in various categories to be available as a pre-requisite.

The inadequacy of the sources of statistics

26.2 We however find, that though there are several sources reporting on the size of civilian component of Central Government employees such as the Directorate General of Employment and Training in the Ministry of Labour, the Pay Research Unit in the Ministry of Finance, the Expenditure document of the Budget, the Economic Survey etc., these sources are often dated, not sufficiently comprehensive, incognate and yield conflicting results (See Appendix for details).

The Schedule circulated by the Commission

26.3 The lack of any recent and reliable source and the pressing need for this information appears to have led all the previous pay commissions to circulate a schedule to gather information on the size of civilian component of government employees. We too have done the same and have collected information about the regular employees within Government and excluded the non-regular employees as was done by the previous Commissions. For the size of the Armed Forces, we have relied on the information furnished by the pay cells set up in the Ministry of Defence.

SIZE OF EMPLOYMENT IN THE CENTRAL GOVERNMENT

Regular Civilian filled posts

26.4 According to the information collected by us, the total number of filled civilian posts at the Centre as on 31.3.94 was of the order of 38.73 lakhs as against 34.44 lakhs filled posts reported by the 4th CPC in 1984. An increase of the order of 4.29 lakh filled posts is evident in these 10 years (See Annex 26.1).

26.5 We are constrained by the non-availability of Ministry wise group

Section IV

Optimising the Size of the Government Machinery



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wise details regarding "filled posts" in the previous Pay Commission reports and hence we have confined our analysis of the changing composition of Central Government Employees to "sanctioned posts" on which fairly detailed information was available in the earlier reports. The ministry-wise, group-wise distribution of filled posts collected by us as on 31.3.94 is however, given at Annexe 26.7(b) for the benefit of posterity and we hope that the future Pay Commissions will be able to meaningfully utilize this information.

*Regular civilian
sanctioned posts*

26.6 The strength of sanctioned posts for the regular civilian Central Government employment (excluding Union Territories) at 41.76 lakhs in 1994, is observed to have increased from 17.37 lakhs in 1957 to 29.82 lakhs in 1971 to 37.87 lakhs in 1984 (See Annexe 26.2). During the fourteen years between 1957 and 1971, the number of sanctioned posts increased by 71.7%, during the next thirteen years between 1971 and 1984 by 27% and during the next ten years between 1984 and 1994 by 10.3%. Viewed on annual basis while an annual growth rate of 3.9% is observed for the period 1957 to 1971, an annual increase of 1.9% is observed for the period 1971 to 1984. The percentage of annual increase is observed to have fallen to a level of 1.0 per cent during the period 1984 and 1994 suggesting thereby a general deceleration in the rate of growth of sanctioned posts for civilian employees in Central Government, consequent to the various measures taken by the Government to impose economy cuts on present numbers and freezes on further recruitment. Of the 3.89 lakh additional posts sanctioned during the period 1984 to 1994, 70,000 posts were in the Department of Communications, 41,000 in Railways and 3,28,000 in other departments. Amongst the other departments the largest increase appears to have taken place under the head of police in the Ministry of Home Affairs. As per the Budget documents, between 1988 and 1993, an increase in the number of employees of the order of 1,49,447 took place under this head. We have elsewhere shown that as against a compound annual rate of growth of 1% for the civilian employees during the period 1984-1994, the CPOs under the Ministry of Home grew at the rate of 5.6% compound annual rate of growth between 1986 and 1994. Taking cue from the above trends, we awarded studies for the restructuring of some major user departments with a view to optimizing the size of Government. The chapters which follow detail the areas where some weight shedding may be possible.

*The size of
employment in
Union
Territories*

26.7 Union Territory wise information on filled/sanctioned posts is not available in the earlier reports. It is therefore, not possible to comment on UT-wise increase in numbers. While the total number of sanctioned posts for civilian employees in Union Territories is available in the previous reports, this figure is not comparable as the number of Union Territories has been changing with time. The total number of sanctioned civilian posts in Union Territories, reported at 1.60 lakhs in 1970 and 2.25 lakhs in 1.1.84, by the previous Pay Commissions, is observed to have however fallen to a level of 1.63 lakhs in 1994. The UT wise distribution of filled and sanctioned posts, across group A, B, C and D in 1994 is given at Annexe 26.7(a) and 26.7 (b) for the benefit of future Commissions.

*Gap between
sanctioned and
filled posts*

26.8 As against the total filled posts of 38.73 lakhs, the total number of sanctioned posts at the centre in 1994 are observed to be of the order of 41.76 lakhs leaving a gap of around 3.03 lakhs sanctioned posts unfilled at the Centre in 1994. Similarly, we observe that as against a total number of filled posts of 1.5 lakhs in the Union Territories, the total number of sanctioned posts in UTs was of the order of 1.53 lakhs as on 31.3.94. Such a large gap between the sanctioned and filled posts may be explained partly by the long procedural delays in selection, by the lack of suitable candidates, reservation requirements, etc.

*The size of
defence forces*

26.9 The information on defence forces made available to us by the Defence Forces pay cell shows that as on 1st January, 1995 the size of the defence forces was 11.91 lakhs of which 9.98 lakhs was the size of the Army, 1.41 lakhs the size of the Air force and 0.52 lakhs that of the Navy. Thus, the share of Army in the total defence forces is 83.79%, that of the Air force 11.84% and that of the Navy 4.37%. It is also observed that the compound annual rate of growth of the defence forces for the

period 1981-91 at 1.4% is higher than the compound annual rate of growth of 1.2% for the civilian forces during the period 1981-1991 (See Annex 26.4) This can probably be attributed to the fact that unlike the civilian side, there is no ban on recruitment in the Defence forces and all wastages have generally been made up

COMPOSITION OF THE CIVILIAN EMPLOYMENT- STRUCTURE AND TRENDS

*Distribution of
regular
civilian
sanctioned
posts across
Ministries*

26.10 A look at the distribution of sanctioned posts in Government in 1994 reveals that Railways have the largest contingent of sanctioned posts at 15.46 lakhs, followed by 7.54 lakhs posts in Communications and 6.73 lakhs posts in Defence (Civilians) Around 12.03 lakhs posts are spread over in other departments (See Annex 26.2) The relative share of Railways in total sanctioned posts in Central Government has registered a decline from 57.4% in 1957 to 46.9% in 1971, 39.7% in 1984 and 37.0% in 1994. On the other hand, the share of Communications has registered a steady increase from 11.4% in 1957 to 13.2% in 1971 to 18.1% in 1984 and then stayed at 18.1% in 1994. The share of the defence civilian employees in total sanctioned posts has varied and was 15% in 1957, 20% in 1971, 19.1% in 1984 and 16.1% in 1994. The share of other departments in the total posts also increased steadily from 16.2% in 1957 to 28.8% in 1994

*Distribution of
sanctioned posts
across Groups*

26.11 The group-wise distribution of sanctioned posts given in Annex 26.5 reveals that in terms of percentage of total posts in Government, Group A, B and C posts have shown a substantial increase between the period 1957 and 1994. Group A posts which were 0.6% of the total posts in 1957 have risen to 2.2% of the total in 1994. Group B posts have risen from 1.1% to 3.3% of the total and Group C have risen from 42.0% to 66.8% of the total for the same period. Group D posts have, however, registered a decline from 56.3% of the total to 27.2% of the total. It is observed that Group A posts have in fact grown at the highest rate of 6% during 1957 and 1994, followed by Group B, C and D at 5.4%, 3.7% and 0.4% respectively in that order.

*Groupwise
Distribution of
posts across
Ministries*

26.12 Annex 26.6 reveals that the total number of Group A posts have risen from 67,969 in 1984 to 89,663 in 1994, showing thereby an increase of 31.9%. The largest increase of Group A posts is observed in the Department of Communications where Group A posts have increased by 4756, and an increase of 131.2% has been registered. This is followed by Defence (civilian) department where the number of Group A posts have increased by 4247 and an increase of 36.4% has been registered. Railways have registered an overall increase of 1863 Group A posts or an increase of 24.1%. The number of group B and C posts also registered an increase of the order of 55,406 posts i.e. 69.2% and 5,00,902 posts i.e. 21.9% respectively during the period 1984 and 1994. The largest increase in percentage terms in Group B posts is observed in Ministry of Communications at 140.9%, followed by the defence civilians at 104.8%. While in terms of number of Groups C posts, Railways created the maximum number of posts during the period under study, the Department of Defence (civilians) created the largest number of group C posts in terms of percentage increase. What is remarkable is that Group D posts registered a decline of the order of 1,91,331 posts during the period 1984 and 1994. The Railways and Defence Civilians are observed to have contributed significantly to this decline. The decline of Group D posts may be a result of ban on recruitment imposed in Group D, comparatively higher retirements in Group D compared to other categories and promotions from Group D to Group C

*The trend in
Group A, B, C and
D posts*

26.13 The percentage increase in the number of group A, B, C and D posts at 31.9%, 69.2%, 21.9% and -14.4% respectively, between the period 1984 and 1994, only goes to endorse the findings of the earlier Pay Commissions that the pace of creation of posts at the higher levels, i.e., Groups A and B is much faster than that at the lower levels. This is in line with the general experience in countries abroad where

officer-oriented structures have come to stay. This appears to be a healthy trend and is not retrograde at all.

The detailed Ministry-wise distribution of Group A, B, C and D sanctioned and filled posts

26.14 The Ministry-wise distribution of Group A, B, C and D sanctioned posts is given at annexe 26.7(a). It may be noticed that the Ministry of Defence leads in terms of the Group A sanctioned posts at 15,900, followed by Ministry of Railways at 9591, Ministry of Home Affairs at 8943 and Ministry of Communications at 8781. The Ministry of Communications has the largest number of group B sanctioned posts at 23,772, followed by the Ministry of Defence at 18,116 and the Audit and Accounts Department at 13,932. The Ministry of Railways leads in terms of the Group C posts at 9,51,112, and is followed by Ministry of Communications at 5,58,552, Ministry of Home Affairs at 4,83,804 and Ministry of Defence at 4,11,919. Railways again leads in the Group D employees and is followed by Ministry of Defence and Ministry of Communications in that order. The Ministry-wise distribution of Group A, B, C and D filled posts is given at annexe 26.7(b).

The distribution of Group A posts across organised services

26.15 Of the total 89,663 Group A posts, around 57,997 are encadred into the various organised Group A services excluding the three all India services. There has however been an appreciable increase in the number of Group A services between 1971 and 1995 and the number of Group A services has risen from 30 in 1971 to 49 in 1984 to 59 in 1995. Some of these services are very small in size such as the Indian Supply Service (167), Indian Naval Armaments Service (94), Indian Inspection Service (121) and Indian Legal Service (114). In fact, there are only 34 services with a cadre strength exceeding 500. While all 18 Engineering Services taken together have a cadre strength of 18,225, the Group A Central Services recruited through Civil Services Examinations account for 12,839 posts.

The All India Services

26.16 The All India Services include the Indian Administrative Service, the Indian Police Service and the Indian Forest Service. The AIS officers have a contingent of 11,576 officers with 5336 officers in the IAS, 3519 officers in the IPS and 2721 in the Indian Forest Service as on 1.1.95. Officers of the AIS are allotted state cadres and they work both in the States and at the Centre.

Distribution of sanctioned posts between permanent and temporary category

26.17 The distribution of permanent and temporary posts shows that the number as well as the percentage of temporary posts to the total posts has declined steadily. This appears to be in tune with Government's policy of decasualization and increasing permanent employment. The number of temporary posts dropped from a level of 7.49 lakhs in 1971 to 7.28 lakhs in 1984 and to 6.83 lakhs in 1994 (See Annexe 26.9). Temporary posts as a percentage of total posts, dropped from 25.1% in 1971 to 19.2% in 1984 and 16.4% in 1994. However, while Ministry of Defence showed the largest reduction of temporary posts, Railways actually showed an increase of 1.60 lakh temporary posts between 1984 and 1994.

The size of Industrial Workers

26.18 As per information collected by us, there were 9.39 lakh industrial workers in the Central Government as on 31.3.94. More than 90 percent of the Industrial Workers are employed in Railways and Defence. The distribution of Industrial Workers amongst the major departments over the years is given below -

(Figures in 000)			
Departments	1971	1984	1994
Railways	3.61 (50.4)	4.91 (54.2)	4.98 (53.00)
P&T	0.06 (00.8)	0.12 (01.3)	0.06 (00.60)
Defence	3.10 (43.3)	3.51 (38.7)	3.92 (41.80)
Others	0.39 (05.5)	0.52 (05.8)	0.43 (04.60)
Total	7.16 (100)	9.06 (100)	9.39 (100)

(Figures in parentheses give the percentage to the total)

The distribution of 26.19

According to the distribution of Industrial Workers, skill wise (See

*Industrial
Workers*

table below), it is observed that while the percentage of Supervisors, highly skilled and skilled employees taken together has increased over the years, that of the semi-skilled and unskilled employees has decreased.

	1971	1984	1994
Highly Skilled	10%	20%	29.50%
Skilled	39%	36%	25.60%
Semi Skilled	24%	22%	21.80%
Unskilled	27%	22%	17.40%
Supervisors and others	--	--	5.70%
Total	100%	100%	100%

*The pay scale wise
distribution of
filled posts at the
Centre and in UTs*

26.20 The pay-scale-wise distribution of filled posts at the Centre and the Union Territories is given in Annexure 26.10. As may be noticed there are 62 pay scales between the Centre and the UTs. The scales of 7000 fixed, 4000 fixed, 2000 fixed are found to be unique to the Union Territories. The Ministry wise distribution of filled posts in the scale of Rs. 5900-6700 and above is given at Annexure 26.11.

CONCLUSIONS

26.21 From the statistics it is difficult to come to any definite conclusion whether the bureaucracy as a whole is "bloated" or not. It would be correct to conclude that the 71.7% increase in the number of sanctioned posts between 1957 and 1971 was probably not justified. But the fact that this percentage growth rate came down sharply to 27% between 1971 and 1984, and then to a remarkably low figure of 10.3% between 1984 and 1994 shows that Government has acted to contain its fat. If the extra pounds have not been shed, at least the rate of growth has been markedly arrested. Even the very modest increase of 1% per annum is more due to the jump in the size of the uniformed forces. The armed forces grew at a compound annual growth rate of 1.4% between 1981 and 1991 and the Central Police Forces by more than 5% annually between 1986 and 1994. The Ministries of Communications and Railways sanctioned 70,000 and 41,000 additional posts during 1984-94 and contributed to the increase.

26.22 The lessons we learn from this are clear. If the Government has the will to reduce manpower, it can do it. Secondly, the uniformed forces are the most difficult to handle. If their avoidupois can be contained, so can that of the rest of the Government.

26.23 There are 3.03 lakhs unfilled posts on the civilian side. There may be some unfilled posts on the defence side as well. For any major effort at restructuring and downsizing the Government, this large number of vacancies is a challenge waiting to be met.

26.24 Already, there is a definite shift away from Group D posts towards Group A, B and C. Thus, there is a trend towards officer-oriented administration, which needs to be strengthened further.

**DISTRIBUTION OF FILLED POSTS IN CENTRAL GOVT. BY MAJOR
DEPARTMENTS**

Ministry	Posts Filled (Lakhs)		Percen- tage increase between 1994 & 1984	% age of filled posts to Total sanctioned	
	1984	1994		1984	1994
1.	2.	3.	4.	5.	6.
Railways	14.15	15.01	6.1	94.0	97.5
Communications	6.37	6.81	6.9	93.2	90.3
Defence (Civilian)	6.29	5.99	-4.8	86.9	89.0
Other Departments	7.64	10.92	43.0	87.2	91.4
Total	34.44	38.73	12.4	91.0	93.1

Source: 1. Report of the Fourth Pay Commission.
2. Data compiled by the Fifth Pay Commission

DISTRIBUTION OF SANCTIONED POSTS OF CENTRAL GOVT. BY MAJOR DEPARTMENTS

Ministry/Deptt.	No. of regular Posts (Lakhs)				Percent increase			
	1957	1971	1984	1994	Absolute increase between 1994 & 1984	over 1957	1971 over 1971	1984 over 1984
1.	2.	3.	4.	5.	6.	7.	8.	9.
Railways % to Total	9.97 57.4	13.99 46.9	15.05 39.7	15.46 37.0	0.41 10.5		40.3	7.6
Communications % to Total	1.98 11.4	3.93 13.2	6.84 18.1	7.54 18.1	0.70 18.0		98.5	74.0
Defence (Civilian) % to Total	2.60 15.0	5.97 20.0	7.23 19.1	6.73 16.1	-0.50 -12.9		129.6	21.1
Other Departments % to Total	2.82 16.2	5.93 19.9	8.75 23.1	12.03 28.8	3.28 84.3		110.3	47.6
Total	17.37 100.0	29.82 100.0	37.87 100.0	41.76 100.0	3.89 100.0		71.7	27.0
Annual compound Growth Rate (%)		3.9	1.9	1.0				10.3

Source: Data collected by different Pay Commissions

**DISTRIBUTION OF SANCTIONED AND FILLED POSTS IN CENTRAL GOVERNMENT AND
UNION TERRITORIES BY GROUPS AS ON 31-3-1994**

(Lakhs)

Group	Sanctioned Posts			Filled Posts		
	Central Government	Union Territories	Total	Central Government	Union Territories	Total
1.	2.	3.	4.	5.	6.	7.
Group 'A'	0.90	0.04	0.94	0.72	0.04	0.76
(% to Total)	2.2	2.4	2.2	1.9	2.7	1.9
Group 'B'	1.36	0.12	1.48	1.19	0.11	1.30
(% to Total)	3.3	7.4	3.4	3.1	7.3	3.2
Group 'C'	27.88	1.18	29.06	25.92	1.08	27.00
(% to Total)	66.8	72.4	67.0	66.9	72.0	67.1
Group 'D'	11.39	0.29	11.68	10.69	0.27	10.96
(% to Total)	27.3	17.8	26.9	27.6	18.0	27.2
Un-classified	0.23	0.00	0.23	0.21	0.00	0.21
(% to Total)	0.6	0.0	0.5	0.5	0.0	0.5
Total	41.76	1.63	43.39	38.73	1.50	40.23
	100.0	100.0	100.0	100.0	100.0	100.0

TRENDS IN REGULAR EMPLOYMENT IN CENTRAL GOVERNMENT

(lakhs)

Year (as on 31st march)	Civilian Employees @		Defence Forces @@@				Total Central
	other than Defence	Defence	Army	Navy	Air-Force	Total	Govt. Employees
1.	2.	3.	4.	5.	6.	7.	8.
1971	22.25	4.74	8.30	0.30	1.06	9.66	36.65
1981	28.87	5.20	8.81	0.36	1.20	10.37	44.44
1991	32.87	5.26	9.98	0.51	1.40	11.89	50.02
1995	N.A.	N.A.	9.98	0.52	1.41	11.91	N.A.
Annual compound growth rate (%)							
1971-81	2.6	0.9	0.6	1.9	1.2	0.7	1.9
1981-91	1.3	0.1	1.3	3.5	1.6	1.4	1.2

Source: @ D.G.E. & T.
 @@@ Authorized strength as reported by Armed Forces Pay Cell.

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**TRENDS IN DISTRIBUTION OF SANCTIONED POSTS IN CENTRAL
GOVERNMENT BY GROUP OF POST**

(Figures in Lakhs)

Year -----	Group of Post -----					
	A	B	C	D	Un-classi- fied	Total
1.	2.	3.	4.	5.	6.	7.
1957 (% to Total) ¹	0.10 (0.6)	0.19 (1.1)	7.29 (42.0)	9.78 (56.3)	N.A.	17.37 (100.0)
1971 (% to Total)	0.34 (1.1)	0.46 (1.6)	15.45 (51.8)	13.38 (44.9)	0.19 (0.6)	29.82 (100.0)
1984 (% to Total)	0.68 (1.8)	0.80 (2.1)	22.87 (60.4)	13.31 (35.1)	0.21 (0.6)	37.87 (100.0)
1994 (% to Total)	0.90 (2.2)	1.36 (3.3)	27.88 (66.8)	11.39 (27.2)	0.23 (0.5)	41.76 (100.0)
Increase in 1994 over 1957						
(i) Absolute	0.80	1.17	20.59	1.61	0.23	24.39
(ii) Annual compound growth rate (%)	6.0	5.4	3.7	0.4		2.4

Source:

1. Data for the years 1957, 1971 and 1984 Report of the Fourth Pay Commission.
2. Data for the year 1994 is based on data collected by the Fifth Pay Commission.

DISTRIBUTION OF SANCTIONED POSTS IN THE CENTRAL GOVT. BY GROUPS AND MAJOR DEPARTMENTS

Group	Railways			Communications			Defence (Civilian)			Others			Total		
	1984	1994	Increase (Absolute/ Percent)	1984	1994	Increase (Absolute/ Percent)	1984	1994	Increase (Absolute/ Percent)	1984	1994	Increase (Absolute/ Percent)	1984	1994	Increase (Absolute/ Percent)
1.	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A	7728	9591	1863 24.1	3625	8381	4756 131.2	11653	15900	4247 36.4	44963	55791	10828 24.1	67969	89663	21694 31.9
B	3560	5664	2104 59.1	9870	23772	13902 140.9	8847	18116	9269 104.8	57775	87906	30131 52.2	80052	135458	55406 69.2
C	814357	951112	136755 16.8	540990	558552	17562 3.2	341906	411919	70013 20.5	589576	866148	276572 46.9	2286829	2787731	500902 21.9
D	679046	579385	-99661 -14.7	124682	162944	38262 30.7	361066	226878	-134188 -37.2	166085	170341	4256 2.6	1330879	1139548	-191331 -14.4
Un- Classified	N/A	43	N/A	4368	0	N/A	62	0	N/A	16890	23166	N/A	21334	23209	N/A
Total	1504691	1545795	41104 2.7	683535	753649	70114 10.3	723534	672813	-50721 -7.0	875289	1203352	328063 37.5	3787063	4175609	388546 10.3

Source: Data collected by Pay Commission.

**MINISTRY/DEPARTMENTWISE SANCTIONED POSTS IN CENTRAL GOVERNMENT AND UNION TERRITORIES
BY GROUPS AS ON 31-3-1994**

code	Ministry/Department	By Groups					Unclass.	Total
		A	B	C	D			
1.	2.	3.	4.	5.	6.	7.	8.	
I.	Central Government							
40	Ministry of Agriculture	857	1239	5198	3679	-	-	10973
41	Ministry of Chemicals and Fertilizers	114	213	260	144	-	-	731
42	Ministry of Civil Aviation and Tourism	373	346	1028	401	-	-	2147
43	Ministry of Civil Sup. Con. Affairs & Pub. Distri.	81	147	226	163	-	-	617
44	Ministry of Coal	36	61	246	101	-	-	444
45	Ministry of Commerce	817	1598	4933	1978	4	-	9330
46	Ministry of Communications	8381	23772	558552	162944	-	-	756449
48	Ministry of Environment and Forests	660	572	2113	1888	-	-	5233
49	Ministry of External Affairs	844	2076	2520	864	2	-	6306
50	Ministry of Finance	5983	11796	124618	8811	20416	-	151624
51	Ministry of Food	157	326	708	649	-	-	1840
52	Ministry of Food Processing Industries	99	173	617	138	-	-	1027
53	Ministry of Health and Family Welfare	3336	1362	13146	8042	1	-	25887
54	Ministry of Home Affairs	8947	11802	483804	42030	88	-	546667
55	Ministry of Human Resources and Development	718	1528	3886	7596	-	-	13728
56	Ministry of Industry	962	1291	3796	2038	-	-	8087
57	Min. of I & B	4152	10345	32938	11769	264	-	61851
58	Ministry of Labour	1618	851	4185	2341	2	-	9037
59	Ministry of Law, Justice and Company Affairs	542	547	1810	663	-	-	3562
60	Ministry of Mines	2792	1181	10946	1129	-	-	16048
61	Ministry of Non-Conventional Energy Sources	187	84	184	82	-	-	537
62	Ministry of Parliamentary Affairs	12	44	56	28	-	-	140
63	Ministry of Personnel, Public Grievances and Pensions	4079	5347	1213	-	8261	-	-
64	Ministry of Petroleum and Natural Gas	32	105	101	64	-	-	302
65	Ministry of Planning and Programme Implementation	411	692	5471	461	-	-	7035
66	Ministry of Power	600	430	860	265	-	-	2155
67	Ministry of Railways	9591	5664	951112	579385	43	-	1545795
68	Ministry of Rural Areas and Employment	259	573	869	569	-	-	2270
69	Ministry of Science and Technology	1138	2085	12950	9903	-	-	26076
70	Ministry of Steel	46	119	263	152	-	-	580
71	Ministry of Surface Transport	1333	942	18032	29769	-	-	50076
72	Ministry of Textiles	199	35	4346	1719	-	-	6615
73	Ministry of Urban Affairs and Employment	1450	3035	26721	10571	41777	-	-
74	Ministry of Water Resources	1665	1750	8116	4644	-	-	16175
75	Ministry of Welfare	143	275	451	248	6	-	1123
76	Ministry of Defence	15900	18116	411919	226878	-	-	672813
90	Department of Atomic Energy	3238	2504	12261	4844	-	-	22847
91	Department of Electronics	463	458	530	259	-	-	1711
92	Department of Ocean Development	45	51	75	40	-	-	211
93	Department of Space	5121	3033	6605	1572	-	-	16331
100	Cabinet Secretariat	883	4937	5947	499	-	-	12266
101	President's Secretariat	25	97	105	99	-	-	326
102	Prime Minister's Office	34	152	161	137	-	-	484
105	UPSC	142	525	847	543	-	-	2057
106	Central Vigilance Commission	32	61	65	57	-	-	215
107	Election Commission of India	26	93	69	71	-	-	259

108	Planning Commission	1387	2025	1324	638	5374
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code	Ministry/Department	By Groups					Total
		A	B	C	D	Unclass.	
1.	2.	3.	4.	5.	6.	7.	8.
112	Indian Audit and Accounts Service	3014	13932	56688	6766		80400
113	Supreme Court	208	697	110	705		1720
114	High Court of Delhi	122	162	616			900
Total - I		89663	135458	2787731	1139548	23209	4175609
II - Union Territories							
12202	Delhi	2293	10592	81233	8051	-	102169
12203	Andaman and Nicobar Islands	420	653	13975	10427	-	25475
12204	Lakshadweep	69	220	3113	1506	-	4908
12205	Dadra and Nagar Haveli	110	67	1976	331	-	2484
12206	Daman and Diu	86	96	1863	646	-	2691
12207	Pondicherry	1279	682	15647	7987	-	25595
Total - II		4257	12310	117807	28948	-	163322
III.	Grand Total (I+II)	93920	147768	2905538	1168496	23209	4338931

Source: Statistical Schedule received from Ministries.

MINISTRY/DEPARTMENTWISE FILLED POSTS IN CENTRAL GOVERNMENT AND UNION TERRITORIES BY GROUPS AS ON 31-3-1994

code	Ministry/Department	By Groups					Total
		A	B	C	D	Unclass.	
1.	2.	3.	4.	5.	6.	7.	8.
1.	Central Government						
40	Ministry of Agriculture	587	1068	4614	3482	-	9751
41	Ministry of Chemicals and Fertilizers	101	198	217	143	-	659
42	Ministry of Civil Aviation and Tourism	263	320	905	377	-	1865
43	Ministry of Civil Sup. Con. Affairs & Pub. Distri.	63	175	194	159	-	591
44	Ministry of Coal	35	49	242	99	-	425
45	Ministry of Commerce	663	1343	4222	1769	2	7999
46	Ministry of Communications	5404	22117	487563	165430	-	680514
48	Ministry of Environment and Forests	469	495	1909	1837	-	4710
49	Ministry of External Affairs	728	1885	2138	805	2	5558
50	Ministry of Finance	6066	11560	117303	8460	18547	161936
51	Ministry of Food	140	302	700	626	-	1768
52	Ministry of Food Processing Industries	72	134	404	125	-	735
53	Ministry of Health and Family Welfare	2606	1069	11327	7771	1	22774
54	Ministry of Home Affairs	6714	9378	456321	41949	88	514450
55	Ministry of Human Resources and Development	549	1221	3195	7472	-	12437
56	Ministry of Industry	701	966	3068	1884	-	6619
57	Min. of I & B	2862	6997	20107	8449	2012	40427
58	Ministry of Labour	1353	742	3795	2244	2	8136
59	Ministry of Law, Justice and Company affairs	433	502	1703	599	-	3237
60	Ministry of Mines	2286	956	7264	1052	-	11558
61	Ministry of Non-Conventional Energy Sources	141	75	153	80	-	449
62	Ministry of Parliamentary Affairs	12	44	56	28	-	140
63	Ministry of Personnel, Public Grievances and Pensions	3307	4662	1168	-	7194	
64	Ministry of Petroleum and Natural Gas	32	105	101	64	-	302
65	Ministry of Planning and Programme Implementation	280	594	4654	397	-	5925
66	Ministry of Power	537	406	758	265	-	1966
67	Ministry of Railways	9332	5470	938914	547670	42	1501428
68	Ministry of Rural Areas and Employment	192	511	783	509	-	1995
69	Ministry of Science and Technology	825	1798	11491	9245	-	23359
70	Ministry of Steel	49	119	262	152	-	582
71	Ministry of Surface Transport	1081	796	17738	29651	-	49266
72	Ministry of Textiles	166	324	4026	1627	-	6143
73	Ministry of Urban Affairs and Employment	1368	22398	8851	-	35480	
74	Ministry of Water Resources	1351	1564	6945	4387	-	14247
75	Ministry of Welfare	117	250	413	238	-	1018
76	Ministry of Defence	11688	15852	375599	195508	-	598647
90	Department of Atomic Energy	2937	2257	11203	4083	-	20480
91	Department of Electronics	404	408	472	242	-	1526

92	Department of Ocean Development	33	40	53	30		156
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code	Ministry/Department	By Groups					Total
		A	B	C	D	Unclass.	
1.	2.	3.	4.	5.	6.	7.	8.
93	Department of Space	4928	2886	6377	1454	-	15645
100	Cabinet Secretariat	592	4145	4614	465	-	9816
101	President's Secretariat	22	89	97	95	-	303
102	Prime Minister's Office	29	135	143	118	-	425
105	UPSC	130	424	735	450	-	1739
106	Central Vigilance Commission	31	58	56	57	-	202
107	Election Commission of India	25	88	152	71	-	336
108	Planning Commission	1272	1891	1164	571	-	4898
112	Indian Audit and Accounts Service	2221	12665	49468	6060	-	70414
113	Supreme Court	190	619	100	668	-	1577
114	High Court of Delhi	101	117	591		-	809
Total - I		72565	119050	2591369	1068936	20696	3872616
II	Union Territories						
12202	Delhi	19031	9904	74705	7567	..	94079
12203	Andaman and Nicobar Islands	312	541	13175	9593	..	23621
12204	Lakshadweep	54	206	2840	1480	..	4580
12205	Dadra and Nagar Haveli	86	58	1910	318	..	2372
12206	Daman and Diu	87	96	1857	647	..	2687
12207	Pondicherry	1071	592	14006	7436	..	23105
Total - II		3513	11397	108493	27041	..	150444
Grand Total (I+II)		76078	130447	2699862	1095977	20696	4023060

Source: Statistical Schedule received from Ministries.

AUTHORISED STRENGTH OF ALL INDIA SERVICES

Service	1971	1984	1.1.96
1.	2.	3.	4.
Indian Administrative Service	3203	5047	5067
Indian Police Service	1790	2679	3344
Indian Forest Service	1097	2006	2672



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**DISTRIBUTION OF POSTS BY PERMANENT AND TEMPORARY STATUS
AND MAJOR DEPARTMENTS**

Ministry	Posts Sanctioned										(Lakhs) Increase in Tempo- rary posts between 1984 & 1984
	1971					1984					
	Perma- nent	Tempo- rary	Total	Perma- nent	Tempo- rary	Total	Perma- nent	Tempo- rary	Total		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	
Railways (% to Total)	12.45 89.0	1.54 11.0	13.99 100.0	13.92 92.5	1.13 7.5	15.05 100.0	12.73 82.3	2.73 17.7	15.46 100.0	1.60	
Communications (% to Total)	3.10 78.9	0.83 21.1	3.93 100.0	5.11 74.7	1.73 25.3	6.84 100.0	6.18 82.0	1.36 18.0	7.54 100.0	-0.37	
Defence (Civilian) (% to Total)	3.12 52.3	2.85 47.7	5.97 100.0	5.15 71.2	2.08 28.8	7.24 100.0	6.43 95.5	0.30 4.5	6.73 100.0	-1.78	
Other Departments (% to Total)	3.66 61.7	2.27 38.3	5.93 100.0	6.41 73.2	2.34 26.8	8.75 100.0	9.59 79.7	2.44 20.3	12.03 100.0	0.10	
Total (% to Total)	22.33 74.9	7.49 25.1	29.82 100.0	30.59 80.8	7.28 19.2	37.87 100.0	34.93 83.6	6.83 16.4	41.76 100.0	-0.45	

Source: 1 Report of the Fourth Pay Commission
2 Data compiled by the Fifth Pay Commission.

**DISTRIBUTION OF FILLED POSTS IN CENTRAL GOVERNMENT AND
UNION TERRITORIES IN DIFFERENT SCALES OF PAY * AS ON 31.3.1994**

		(Numbers)		
	Pay Scales	Central Government	Union Territories	Total
1.		2.	3.	4.
1	9000 (Fixed)	11	0	11
2	8000 (Fixed)	167	3	170
3	7600-100-8000	7	0	7
4	7600 (Fixed)	21	0	21
5	7300-200-7500-250-8000	51	0	51
6	7300-100-7600	456	10	466
7	7000 (Fixed)	0	1	1
8	5900-200-7300	130	1	131
9	5900-200-6700	3087	54	3141
10	5100-150-6300-200-6700	16	0	16
11	5100-150-5700-200-6300	839	0	839
12	5100-150-6150	252	3	255
13	5100-150-5700	41	0	41
14	4800-150-5700	173	3	176
15	4500-150-5700-200-7300	17	41	58
16	4500-150-5700	5799	31	5830
17	4100-125-4850-150-5300	711	0	711
18	4000 (Fixed)	0	2	2
19	3950-125-4700-150-5000	211	15	226
20	3700-125-4950-150-5700	452	51	503
21	3700-125-4700-150-5000	10462	355	10817
22	3700-150-4450	18	1	19
23	3640-110-3750-130-4400-160-5200- 190-6150-230-7300-280-7580	4	0	4
24	3300-120-3900-150-4800	65	0	65
25	3200-100-3700-125-4700	427	32	459
26	3150-100-3350	800	0	800
27	3110-90-3200-110-3750-100-4400- 160-5200-190-6150-230-6380	8	0	8
28	3000-100-3500-125-5000	1036	182	1218
29	3000-100-3500-125-4500	26256	1209	27465
30	3000-125-3625	39	0	39
31	2525-75-2750-90-3200-110-3750- 130-4400-160-5200-190-5390	7	0	7
32	2200-75-2800-EB-100-4000	27450	1801	29251
33	2375-75-3200-EB-100-3500	20763	155	20918
34	2000-60-2300-EB-75-3200-100-3500	54620	1760	56380
35	2000-60-2300-EB-75-3200	73728	1572	75300
36	1640-60-2600-EB-75-2900	129334	14044	143378

(Numbers) Pay Scales		Central Government	Union Territories	Total
1.		2.	3.	4.
37	2630 (Fixed)	236	0	236
38	2630-75-2780	145	96	241
39	2630-75-2705			
40	2300-100-2800	78	0	78
41	2075-60-2375-75-2750-90-3200-110-3750-130-4270	2	0	2
42	2000-60-2120			
43	2000 (Fixed)	0	1	1
44	1975-50-2075-60-2375-75-2750-90-3200-110-3750-130-4010	6	0	6
45	1810-70-2510-80-3280	1	0	1
46	1600-50-2300-EB-60-2660	89242	382	89624
47	1400-40-1600-50-2300-EB-60-2600	89881	29883	119764
48	1400-40-1800-EB-50-2300	230429	4246	234675
49	1350-30-1440-40-1800-EB-50-2200	26468	540	27008
50	1320-30-1560-EB-40-2040	185007	4388	189395
51	1200-30-1560-EB-40-2040	200604	15221	215825
52	1200-30-1440-EB-30-1800	135017	619	135636
53	1150-25-1500	13315	3543	16858
54	1000-25-1320-EB-30-1750	118	0	118
55	975-25-1150-EB-30-1660	312079	795	312874
56	975-25-1150-EB-30-1540	23959	1355	25314
57	950-20-1150-EB-25-1500	436966	8425	445391
58	950-20-1150-EB-25-1400	88992	29743	118735
59	825-15-900-EB-20-1200	547707	3819	551526
60	800-15-1010-20-1150	354607	3561	358168
61	775-12-871-14-1025	233058	3738	236796
62	750-12-870-14-940	547241	18763	566004
Total		3872616	150444	4023060

* This includes certain non-standard pay scales.

**MINISTRY/DEPARTMENTWISE FILLED POSTS IN CENTRAL GOVERNMENT AND UNION
TERRITORIES BY PAY SCALE
AS ON 31-3-1994**

code	Ministry/Department	Pay Scale (Rs.)				
		9000 (Fixed)	8000 (Fixed)	7600- 8000	7300- 7600	5900 6700
1.	2.	3.	4.	5.	6.	7.
1.	Central Government					
40	Ministry of Agriculture	..	2	..	1	21
41	Ministry of Chemicals and Fertilizers	..	2	..	2	10
42	Ministry of Civil Aviation and Tourism	..	2	1	2	8
43	Ministry of Civil Sup. Con. Affairs & Pub. Distri.	1	..	..	..	5
44	Ministry of Coal	..	1	..	1	3
45	Ministry of Commerce	..	3	..	8	20
46	Ministry of Communications	..	5	..	31	342
48	Ministry of Environment and Forests	..	2	..	4	16
49	Ministry of External Affairs	..	23	..	27	128
50	Ministry of Finance	1	25	..	33	532
51	Ministry of Food	..	..	..	2	5
52	Ministry of Food Processing Industries	..	..	..	..	2
53	Ministry of Health and family Welfare	..	3	..	6	85
54	Ministry of Home Affairs	..	9	5	11	117
55	Ministry of Human Resources and Development	..	2	..	3	11
56	Ministry of Industry	..	5	..	3	13
57	Mn. of I & B	..	1	..	5	46
58	Ministry of Labour	..	2	..	2	13
59	Ministry of Law, Justice and Company affairs	..	3	..	4	12
60	Ministry of Mines	..	..	..	3	21
61	Ministry of Non-Conventional Energy Sources	..	1	..	..	1
62	Ministry of Parliamentary Affairs	..	1	..	..	1
63	Ministry of Personnel, Public Grievances and Pensions	..	3	..	5	17
64	Ministry of Petroleum and Natural Gas	..	1	..	..	6
65	Ministry of Planning and Programme Implementation	..	2	..	1	10
66	Ministry of Power	..	3	..	6	40
67	Ministry of Railways	..	6	1	132	1019
68	Ministry of Rural Areas and Employment	..	1	..	2	9
69	Ministry of Science and Technology	..	3	..	5	14
70	Ministry of Steel	..	2	..	2	13
71	Ministry of Surface Transport	..	1	..	5	20
72	Ministry of Textiles	..	..	..	..	4
73	Ministry of Urban Affairs and Employment	..	3	..	4	46
74	Ministry of Water Resources	..	1	..	5	40
75	Ministry of Welfare	..	14	..	..	4

code	Ministry/Department	Pay Scale (Rs.)				
		9000 (Fixed)	8000 (Fixed)	7600- 8000	7300- 7600	5900 6700
1.	2.	3.	4.	5.	6.	7.
76	Ministry of Defence	..	7	..	8	118
90	Department of Atomic Energy	..	2	..	..	..
91	Department of Electronics	..	1	..	3	52
92	Department of Ocean Development	..	1	..	..	2
93	Department of Space	..	1	..	3	87
100	Cabinet Secretariat	1	7	..	7	50
101	President's Secretariat	..	1	..	..	7
102	Prime Minister's Office	3	..	..	..	..
105	UPSC	1	9	..	..	4
106	Central Vigilance Commission	1	..	..	..	3
107	Election Commission of India	3	..	..	1	2
108	Planning Commission	..	3	..	1	6
112	Indian Audit and Accounts Service	..	2	..	15	97
113	Supreme Court	..	1	..	3	4
114	High Court of Delhi	..	..	..	..	1
	Total - I	11	167	7	456	3087
II.	Union Territories		3	..	10	54

III.	Grand Total (I+II)	11	170	7	466	3141

Source: Statistical Schedule received from Ministries.

Workforce Size Control

INTRODUCTION

27.1 Optimization of the Government machinery, rightsizing of Government, workforce size control -these are various facets of the same problem. It must have been noticed that reduction in the overall size of the bureaucracy is the underlying idea behind all the civil service reforms that we have advocated in the preceding chapters. Here we would like to gather all the threads and describe the overall strategy in clear-cut terms.

OVERALL STRATEGY

27.2 We would like to divide the overall strategy into four main sections as under :

*Reduction in
quantum of work*

a) **Suggestions that will lead to reduction in the quantum of work left with the Central Government. We have to :**

- i) Ascertain tasks that need not be done by Government
- ii) Pass on tasks to State Governments
- iii) Transfer certain tasks to corporate entities in public sector
- iv) Contract out tasks to the private sector
- v) Transfer some entities to the cooperative sector
- vi) Convert some institutions into autonomous bodies

*Reduction due to
organisational
restructuring*

b) **Suggestions that will lead to reduction in number of employees required, because of organisational restructuring. These include:**

- i) Reduction in number of Ministries and Departments
- ii) Introduction of officer-oriented system in Government
- iii) Delaying and level-jumping
- iv) Multiskilling

- Reduction due to induction of technology* c) **Suggestions that will reduce the necessity for so many employees due to induction of technological change in Government** These include:
- i) Computerization
 - ii) Office automation
 - iii) Creation of a paperless office
 - iv) Changes in office systems and file management
- Rightsizing strategies* d) **Rightsizing strategies that will enable Government to shed some fat.** These include :
- i) Abolition of vacant posts
 - ii) Freeze on recruitment
 - iii) Across the board cut
 - iv) Statutory control on creation of new posts
 - v) Voluntary retirement
 - vi) Compulsory retirement

27.3 The items at (a) to (c) have already been covered elsewhere. In this chapter, we will concentrate on rightsizing under item (d).

ABOLITION OF VACANT POSTS

- Number of vacant posts* 27.4 Currently, there are around 3.5 lakh posts vacant in Government. Some of these have been vacant for some time and there has possibly been no deterioration in Government's functioning because of the vacancies. In fact, certain areas might have improved because a few posts are vacant. Even today, the instructions of the Government lay down that if a post has remained vacant for more than a year, the post is deemed to have been abolished.
- Our recommendations* 27.5 **We recommend that Government abolish these 3.5 lakh posts at one stroke, unless in some particular case Government feels otherwise.** Various arguments will naturally be brought up against such a course of action. Posts fall vacant due to various reasons. They remain vacant due to other, very cogent reasons. None of these reasons are possibly the fault of the administrative department. As such, they should not be made to suffer.
- Strategy for abolition* 27.6 It may also be pleaded that vacancies arise at different levels. If at all such vacant posts are to be abolished, Ministries should be allowed to fill up the higher posts and only the posts at the lowest level where fresh direct recruitment is to take place should be abolished. This would ensure that promotions to higher posts are not retarded due to abolition of posts.
- Abolition based on functional considerations?* 27.7 Another argument could be that abolition, like creation, should be a conscious decision based on functional considerations and it should be resorted to only if a surplus is identified after a proper work study.
- The arguments are faulty* 27.8 All these lines of reasoning proceed from a central assumption which is faulty. It is being assumed that more people make an organisation

efficient. Once we understand that we have too many employees in Government, reduction in numbers will be seen as an attempt to reduce the crowd. People will welcome it as a step in the right direction. Secondly, experience has shown that work studies often lead to recommendations for additional staff due to the counter-strategies for inflation of workload adopted by the existing staff. If we wait for work studies to identify surpluses, we may have to wait indefinitely. As far as promotion prospects are concerned, we cannot make an omelette without breaking some eggs. Whenever downsizing initiatives are undertaken, someone will be hurt. That is why we are introducing the Assured Career Progression Scheme as an antidote, so that people do not at least suffer financially.

No arguments to be allowed

27.9 We, therefore, recommend that no arguments should be allowed against the decision to abolish the existing vacant posts.

FREEZE ON RECRUITMENT

Current status of fresh recruitments

27.10 It would be of no use abolishing the vacant posts, if further recruitment goes on merrily, without any brakes being applied. It is reported that currently around 70,000 posts are filled up every year. Obviously, most of these are at the level of supporting and auxiliary staff.

Total freeze suggested at some levels

27.11 Our basic thesis is that we are holding too much manpower at the level of supporting and auxiliary staff and that we should move towards an officer-oriented organisational structure. This can only be achieved if a total freeze on fresh recruitment of manpower in the categories of supporting and auxiliary staff is applied.

Reduction in intake at other levels

27.12 As regards the executives and supervisory staff, the fresh recruitment cannot be stopped, as this would result in cadres that are twisted out of shape. Government has already brought down the fresh intake into the IAS, IRS and other services. The reduction in intake has to be applied in all services that operate at the level of executives and supervisory staff.

ACROSS THE BOARD CUT

27.13 The next step is to frame a ten-year manpower plan. If we have to plan for a 30% cut across-the-board within a time frame of ten years, it would amount to 3% reduction in manpower levels every year. As this is the normal attrition rate due to retirements, deaths, resignations etc., a total freeze on fresh recruitment alone can achieve the 30% reduction within ten years. To the extent that fresh recruitments are made, as in the cadres of executives and supervisory staff, recourse may have to be had to other methods of reducing manpower levels.

STATUTORY CONTROL ON CREATION OF NEW POSTS

27.14 There is a tendency on the part of departments to send proposals for creation of new posts for any additional schemes that they may be called upon

to implement. It is rare for a Secretary or Head of Department to figure out ways and means of dovetailing the scheme in the job list of existing functionaries. Resultantly, even if some jobs are cut, we are back at square one if an equivalent number of fresh jobs are created in the meantime. This has been the fate of all the 10% cuts that are ordered, sometimes by the Ministry of Finance, sometimes by the Prime Minister. Parkinson's Law operates, inviolate.

27.15 One method adopted elsewhere in the world is to have a statute on number of posts sanctioned in all Ministries and Departments of Government. This number then acts as the ceiling beyond which no one can raise the number of sanctioned posts without approaching Parliament for an amendment of the Act. We recommend that such a Ceiling on Sanctioned Posts Act be got enacted by the Government.

VOLUNTARY RETIREMENT

27.16 We have in a separate chapter enunciated our concept of voluntary retirement. Two kinds of schemes are envisaged. The normal procedure for voluntary retirement after completing 20 years of service is to be continued. Over and above this, a special scheme of voluntary retirement can be started in any department where surplus manpower has been identified. In such a scheme, there will be provision for selective retirement of persons, the initiative always resting with the Government, and for a golden handshake. It is hoped that such schemes will be made use of, in order to render it easier for people to tide over the difficult period of unemployment following the operation of redundancy procedures.

COMPULSORY RETIREMENT

27.17 Compulsory retirement is not exactly tuned in to the rightsizing of Government. In fact, the accent here is on getting rid of people who are either incompetent or lacking in integrity. But it is possible to launch campaigns for retirements of a compulsory nature in departments where redundancies have been noticed.

INCENTIVES FOR RIGHT-SIZING

27.18 It is also possible to conceive of in-built incentives for rightsizing of departments. One idea has been floated by us in the context of manpower levels in the armed forces. It has been suggested that long-term perspectives on defence budget allocations be approved by the Ministry of Finance, with the proviso that if the Chiefs are able to save on manpower-related expenditure the savings can be used on other expenditure of their choice, say, for purchase of equipment. A similar incentive can be offered to all Secretaries and Heads of Departments. This would be a one-way valve. Only savings on manpower-related expenses can be diverted to other productive uses. The reverse would not be permissible.

*Savings can be
diverted*

Incentives out of savings

27 19 Another variant on the same theme is the idea that in case a group of persons working in a team are asked to reduce the size of the team, a certain percentage of the saving on manpower-related expenditure can be distributed among the remaining members of the team, provided that the reduction in team size is made permanent through abolition of the post and all the production or service targets are fulfilled in time.

No awards without savings

27 20 Awards, Rewards, Prizes etc. could be made contingent on having achieved a certain minimum reduction in the manpower of the organisation headed by the person concerned.

CONCLUSION

27 21 It is our firm belief that if an atmosphere for rightsizing is created right from the top, very soon we can achieve the optimum size of the Government machinery. Some detailed strategies for individual sectors are outlined in the next few chapters.



Optimization: The Services

INTRODUCTION

- Optimization should start from the top* 28.1 Our strategy for optimization must start from the top. We are, therefore, targeting the All India Services and Group A Central Civil Services first of all. Our recommendation is that there should be an across-the-board reduction of 30% in the overall size of these Services. Details of the strategy are contained in the relevant chapters.
- Service-wise strategies* 28.2 In the rest of this chapter, we outline our strategy with respect to:
- A: The Engineering Services
 - B: The Scientific Services and
 - C: The Medical Services.
- Sectoral Strategies* 28.3 The remaining Chapters of this Section deal with sectoral strategies in respect of the railways, the postal services, the telecom services, the Central Police Organisations and the defence services.

Engineering Services

- Introduction* 28.4 The engineering functions performed by the Central Government departments and agencies vary from conventional civil construction, manufacturing and mining to modern-day technology-driven areas of telecommunications, electronics-media and power management. We have discussed the problems and service conditions of organised engineering services later in this report. We will discuss here the impact of changing role of the government on its engineering functions

Functional break-up of government engineering workforce

28.5 An analysis of the broad activity-wise break-up of organised engineering services reveals that more than half the work force is engaged in civil construction and manufacturing functions, while another more than one-fourth is employed in telecommunications and electronics media

Distribution of Engineering Personnel in Organised Services

Activity	Organisations	Group 'A'	Subordinate Cadres including Group 'B' and Draftsmen
Civil Construction (including Surveyor of Works, Electrical and Mechanical Engineers)	Central Public Works Department, Border Roads Organisation, Ministry of Surface Transport, Ministry of Information & Broadcasting, Railways Post & Telegraph Civil Wing	9,151 (41.24%)	80,649 (37.52%)
Manufacturing	Ordnance Factories, Railways, Telecom Factories	3,298 (14.87%)	60,353 (28.08%)
Telecommunications, Electronics Media	Department of Telecommunications, Ministry of Information & Broadcasting (AIR & DD), Railways	6,849 (30.87%)	59,831 (27.84%)
Water and Power Resource	Ministries of Water, Power	1,295 (5.84%)	2,385 (1.11%)
Survey, Mining	Department of Science & Technology, Ministry of Mines	489 (2.20%) (Survey only)	3,343 (1.56%) (Survey only)
Materials Management	Railways (Stores), Directorate General of Supplies & Disposals, Naval Armament Supply Organisation	1,106 (4.98%)	8,360 (3.89%)
Total		22,188 (100%)	2,14,921 (100%)

Source : Data compiled in 5th CPC

Consultancy Study

28.6 In the context of the new economic policy initiatives by the Central Government in early '90s, we commissioned the Indian Institute of Technology (IIT), Delhi to examine among other things, the role of engineering personnel in the Central Government in the changed socio-economic and political environment. The report of IIT, Delhi observes that the country is in an early exploratory stage of liberalisation, privatisation and globalisation but certain trends noted in the report as reproduced below are significant pointers to the future of engineering functions of the Government.

- less government : Government will play a more supportive role - a major shift from earlier active 'doer role'.
- a three-way partnership of Industry, NGO's and government will emerge. Industry will be trustee of technologies, production and industrial growth.
- Social Investor: Escalation of social investment in irrigation, health, education and other aspects of welfare. Even in these areas implementation may be off loaded to private Engineering Procurement and Construction (EPC) firms, NGOs and peoples' groups.

Essential Government Areas such as defence, internal security will remain with government. Parts of defence production, maintenance and construction may be off-loaded. Planning, project appraisal and monitoring, quality assurance and certifications will continue to be a government responsibility.

- Privatisation Will be progressively adopted to access resources, latest technology and better performance.
- Regulatory government Regulatory role of government is expected to increase
- Global standards Global standards in quality, cost and service will require engineers to remain abreast of best in engineering practice.
- Middle-bulge: The role of middle level engineers is expected to be reduced.
- Diversity in role and profile: Changes in the role and profile of different engineering departments/ministries will vary significantly.

Civil
Construction and
Manufacturing:
Redundancy

28.7 In the context of our overall strategy for right-sizing of Government outlined in the previous Chapter, we feel very strongly that Government need not involve itself in civil-construction and manufacturing activities which employ a large engineering work-force. In fact, particularly in the field of civil construction where private participation is significant, the government needs to drastically reduce numbers. We find from another report of an inter-departmental group constituted by us that the establishment in construction agencies of the government is invariably created on the basis of the 'outlay' for works. We consider this concept to be totally out-of-date and recommend that the Government discard this principle forthwith. In our opinion, the establishment in government construction organisations should be created purely on the basis of worth-of-charge for mere management of construction work rather than with a view to building an empire of government functionaries. We have discussed the report of this inter-departmental group later in the Chapter on 'Engineering Services'.

28.8 Manufacturing activity likewise is an area wherefrom the government can totally withdraw itself, with the possible exception of critical strategic defence equipment. In Railways, for instance, a Committee constituted to study the 'Organisational Structure and Management Ethos of Indian Railways' has recommended in its report submitted in 1994, that the Railways should shed off its activities in peripheral areas. This Committee suggested converting railway production units, workshops and printing presses into fully owned corporations of Indian Railways, to be later associated with public capital from financial institutions and industry. We understand that the Railways have built their manufacturing and production capacities with a view to be self-sufficient in maintenance and production of rolling stock assets. This infrastructure is very valuable -- out of total assets of Rs.33,743 crores as on March 31, 1995 in Railways, the plant and equipment account for Rs.6,500 crores. If the value of land and buildings of workshops and production units and that of skilled manpower is also taken into account, this will constitute a significant portion of the railways'

asset-base. But probably there is no commercial, scientific system of asset-accountal in Railways. We gather that there is heavy over-capitalisation in railway workshops and production units, and after modernisation of workshops a capacity far in excess of in-house needs has been created. We are of the opinion that the railway workshops and production units can be taken up for immediate corporatisation. We suggest that the railways assess the installed capacity of workshops and production units and re-evaluate their assets on sound commercial principles to facilitate an early corporatisation of workshops and production units.

28.9 The telecom factories producing conventional telecom equipment are losing their significance in a technology-market driven telecom sector. It is time that the government withdraws altogether from this area too.

28.10 We have made our suggestions on Ordnance Factories elsewhere in the report.

*Tele-
communications
and Electronics
Media*

28.11 The telecom sector and electronics media are the epicentre of fast-changing technology and market forces are threatening to overwhelm the Government in this sphere. The 'change' is inevitable. The Government needs to change policy and re-adjust its role on a war-footing. While the recent National Telecom Policy has ushered in private participation in basic telecom and value-added services, total freedom of 'air-waves' is only a matter of time in the age of satellite TV. There are indications that the Government is already gearing up to compete with global players in this field ---- the recent decision to partly privatise Doordarshan's Channel 3 and Government's efforts to pre-empt the 'Direct To Household (DTH)' satellite project of a well known global media giant are instances in point. We are, however, of the firm view that the Government will face severe constraints in its bid to compete with powerful commercial interests in these high-tech areas. The assessment of the role of the Government in this regard, made by IIT, Delhi in its report referred to above is quite appropriate as reproduced below:

मन्त्रमैत्र नयते

"Typically in some of engineering government departments, like Telecom, there is every indication of a sizeable off-loading of work. The issues are not just that of privatisation and liberalisation but an equally important set of concerns on what constitutes the essence of a national governance system. Clearly, matters in Defence Ministry that touch the security of country shall remain with government and engineers would continue in their conventional role of planning, designing, maintaining and upgrading periodically the engineering and the technological system. But equally likely appears the strengthening of a parallel trend where the activities of Telecom Department and the Electronics Department which have a high consumer interface shall devolve to agencies outside the governmental system. Specifically, the regulatory function including planning, quality control and monitoring of the government would be in the upswing and the manufacturing and R&D function will get redefined if not substantially down scaled. To that extent the role of a segment of engineers would get modified to incorporate the judicial functions."

28.12 The Government has already initiated legislation to constitute a Telecom Regulatory Authority. The 'India Infrastructure Report' compiled by a 13 Member Committee headed by former Economic Adviser in the Ministry of Industry, Dr. Rakesh Mohan and made public by the Government in January 1997 incorporates recommendations of far reaching importance and may form the basis for economic reforms in the country's infrastructure sector in the coming years. It has been recommended in the report that the Department of Telecom be corporatised as 'India Telecom'. We endorse this recommendation of the report. We also advise that the Government immediately create the long-awaited and overdue Prasar Bharati Corporation.

*Materials
Management*

28.13 We have noticed certain degree of redundancy in materials management stream as well, particularly after recent decentralisation of purchases made by Directorate General of Supplies and Disposals. We have discussed the issues on Indian Supply Service and Indian Inspection Service in the Chapter on Engineering Services. We suggest that the Government consider significant reduction in engineering work-force in Directorate General of Supplies & Disposals in the light of its reduced role in procurement of materials. We also recommend that the Indian Supply Service (ISS) be abolished in the long run without any prejudice to the career interests of the existing members of the Service.

*Restructuring
inevitable*

28.14 Finally, we express our agreement with the conclusion of IIT report that in view of discernible trends noted by us earlier, a major restructuring of government ministries/departments is inevitable in the long run and we should respond to this situation in a phased manner. It is our estimate that a reduction of the total manpower in the engineering cadres by 30% within a decade is very much possible.

Scientific Services

*Role, Objectives
and Activities*

28.15 Transformation of the Indian society in its relentless march towards progress, self-reliance and global competitiveness, as a goal of Science and technology, is one of the major concerns of the Government. Covering a variety of fields of activity like Biotechnology, energy, ocean development, agriculture, meteorology, electronics, communication, space and atomic energy, scientific services exist in organisations concerned with work relating to basic or applied research, experimental development and design and engineering.

*Distribution of
the services*

28.16 Contemporary scientific and technological activity, particularly of the research and development variety, is generally carried out in the Central and State Government S&T Departments, and in some of the socio-economic Ministries, Non-government organisations, independent research institutes and in-house R&D by private sector industry. The Central Government accounts for almost 3/4th of the total expenditure on R&D activity in the country, through its national laboratories and R&D institutions. The Central Government

Ministries/ Departments and their attached and subordinate offices engage about 32,831 scientific & technological personnel, as follows:-

Ministry/ Deptt./ Organisa- tion	No. of S&T Personnel				Total
	A	B	C	D	
DRDO	5790	2628	2160	215	10793
Atomic Energy	3107	1115	700	-	4922
Space	4848	1685	803	5	7341
DST	171	469	2958	-	3847
NC Energy Sources	166	3	4	-	173
Electro-nics	369	111	55	-	535
Environment & Forests	92	373	355	27	847
Ocean Development	23	12	2	-	37
Bio-Techno-logy	34	12	25	1	72
DSIR	40	2	4	-	46
Others	3079	46	742	351	4218
TOTAL	17719	6465	7808	848	32,831

28.17 The largest concentration of the scientific and technological personnel is in the first four of the organisations listed above. At the time of the Second CPC the S&T personnel comprised classes I, II & III, with a total strength of 7126. The Third CPC placed the figure at 22,026, covering the first three groups. The corresponding figure as in 1994 is estimated at 31,983. The trend of growth in employing scientific and technological talent in the Central Government can be gauged from the following:-

CPC (and year)	GROUPS			TOTAL
	A	B	C	
Second CPC (1959)	929	1427	4770	7126

CPC (and year)	GROUPS			TOTAL
	A	B	C	
Third CPC (1973)	6928 (15.4%)	4835 (9.1%)	10263 (5.6%)	22026 (6.4%)
Fourth CPC (1986)	N.A.	N.A.	N.A.	N.A.
Fifth CPC (1994)	17719 (4.6%)	6456 (1.4%)	7808 (-1.3%)	31983 (1.8%)

Source : Reports of respective CPCs (Figures in brackets indicate average annual growth rate over previous CPCs)

28.18 These figures show that while there was a planned increase of 6.4% annually between 1959 and 1973, the annual compound rate of growth dropped down drastically to 1.8% between 1973 and 1994. But even this lower growth rate is higher than the average rate of 1% for all civilians between 1984 and 1994; it is also higher than the growth rate (1.4%) of the armed forces; it is only lower than the growth rate of the central police forces. Juxtaposed with our scientific achievements, two facts stand out loud and clear. One, the impact of scientific effort was qualitatively and quantitatively more pronounced, upto the Third CPC, when economic planning emphasized a thrust towards development of industry and infrastructure. In the subsequent decades, there is a significant drop, both qualitative as well as quantitative in scientific research in terms of the impact of its applications. Transfer of technology has outpaced development of indigenous science and technology. Projects like Main Battle Tank, Light Combat Aircraft, renewable energy sources, malaria eradication, indigenous systems of medicine etc. have taken too long to reach us, and are still on the anvil. And, second, the numbers in absolute terms have still grown during the same period.

*Impact of
liberalisation*

28.19 Development of new knowledge is essential for the development of a growing economy such as India, particularly in propagating indigenous and appropriate technologies. With liberalisation, Indian industry is faced with an open economy and being exposed to global competition. Acquisition of relevant know how is indispensable for success in the market place. Committed to socio-economic growth through adoption of scientific methods and appropriate technologies, science and technology has to measure up to the increased pressures generated in the process of liberalisation. Scientific institutions, faced with a larger need to generate research funding, will further feel the need for state-of-the-art technologies to remain globally competitive. Industry is not and cannot be expected to allocate scarce economic resources for producing knowledge not directly related to its profits. A lion's share is expected of the Central Government for investment in R&D, requiring an appropriate mix for basic and applied science. It will make economic sense for scientific research infrastructure to be of use to industry through appropriate linkages and transfer of technologies. Industry, thus, will require a more active interaction with the Government's R&D effort to exploit the available expertise. In this context, there is need to strengthen the mechanism that nurtures a long term relationship between domestic industry and research laboratories. Scientific services will require all the flexibility at their command to

give creativity and innovation a thrust in this direction. Government is expected to play an altered role in this scenario.

<i>Optimising scientific services</i>	28.20	Keeping in mind the twin objectives of the role of R&D in Government in the new paradigm and the need for optimising the size of Government machinery without sacrificing any of its thrust potential, there is an urgent need to carry out certain steps which in our opinion will keep the size of the scientific establishment of Government in line with its future role.
<i>Consultancy study</i>	28.21	We commissioned the Indian Institute of Science, Bangalore, to suggest policy alternatives for the S&T set-up in Government, keeping in mind its future role in governance. We have kept in mind the suggestions of the study in making our recommendations.
<i>Autonomous R&D</i>	28.22	We observe that a large amount of R&D effort within Central Government is already carried out by autonomous bodies like CSIR, ICMR, ICAR etc. Organising R&D activities along autonomous lines helps not only in creative flexibility, but also enables the provision of appropriate linkages with industry. We recommend that research and development function within Government should as far as possible, be organised in the form of autonomous bodies to be aided and advised by Central Government, except for sensitive R&D effort related to the security and integrity of the country, which should continue to be done in Government Departments.
<i>Privatising ancillary R&D support</i>	28.23	Some scientific research organisations have organised support services like supply of parts and components, conducting routine tests, calibration etc. within the departmentalised units. It is possible to permit supply of parts, components and services to remain in the private sector without affecting their working. The Rajan Committee as also the consultancy study have suggested that for development of linkages of industry with the R&D effort in Government, scientific personnel should be permitted to migrate to industry so that such ancillary services can be developed and farmed out to the private sector. On the question of lateral movement of R&D professionals we have made our recommendations elsewhere. We also recommend that services ancillary to R&D effort, as described above, should be progressively disbanded and privatised.
<i>Commercial potential</i>	28.24	The Department of Space, Atomic Energy and other research organisations have, over the decades, developed potential for providing commercial services in general and are frequently engaging themselves in the provision of such services. We have already noted elsewhere in this Report that the role of Government has to be that of a facilitator to augment provision of goods and services within the economy. It is, therefore, essential that Central Government should not directly engage itself in tapping commercial potential arising out of its R&D effort. Transfer of technology for commercial exploitation should be directed towards the public or private sector enterprises. In the relevant Chapters we have recommended disbanding or privatising of certain services of this nature.
<i>Overlapping functions</i>	28.25	We also observe that Ministries and Departments within the realm of scientific activity perform the functions that overlap with other Ministries or Departments or their attached and subordinate offices. The functions of the

National Atlas and Thematic Mapping Organisation and the Survey of India and some of the organisations dealing with fisheries (Fishery Survey of India, Central Institute of Fisheries, Nautical and Engineering Training, Central Institute of Coastal Engineering for Fisheries, Integrated Fisheries Projects, etc.) are cases in point. An area of similar overlap is the grant of assistance and advice to Government-aided institutions by Ministries and Departments other than those under whom such institutions fall. We have recommended in the relevant Chapters merger of organisations engaged in such overlapping activities and appointment of expert committees not only to identify the overlapping areas but also to suggest the optimal mix of these scientific activities within Central Government. We recommend that such overlapping functions as have been directly identified by us or by committees, based on our recommendations, should be remedied within specified time frames which in our opinion should not go beyond the next five years.

Multiskilling

28.26 The Scientific staff are generally engaged in carrying out routine testing, calibration and experimenting or assisting scientific officers in such work which includes generation of technical papers. Such staff are also found to have common qualifications, but different entry levels. In the relevant Chapters we have recommended a large element of uniformity in the entry level scales and qualifications. We have also suggested that isolated posts should not exist in Government as far as possible. Towards meeting these two ends as also obtaining the optimal mix of scientific talent in Central Government establishments, it is necessary that besides automating large office support functions in S&T activities, the staff are also trained in multi-skilled operations so that these personnel having the basic minimum qualifications need not get compartmentalised in a single field of activity. We recommend that scientific staff should be uniformly trained in appropriate skill requirements and be part of a multi-skilled scientific work force. Wherever single and isolated posts are essential in Government for this kind of routine scientific work we recommend that the services should be obtained from the open market.

Optimal Teams

28.27 Scientific work is generally creative and does not remain confined to hierarchical roles. The spirit of Team-work is of crucial importance in scientific projects. The incentives recommended by us for working with smaller teams and effecting savings should form part of the overall assessment in the modified FCS procedures.

Conclusion

28.28 The above measures have been recommended in order to organise scientific activity in Central Government on optimal lines without leaving room for any qualitative and quantitative loss of objective. Our effort should be to achieve a 30% cut across the board in the Central Government S&T staff in the next 10 years. We are hopeful that the above measures will go a long way towards achieving this objective.

Medical Services

Background

28.29 The health sector plan envisages improvement of infrastructure through delivery of primary, secondary and tertiary health care and augmenting research with the aim of achieving health for all by the year 2000 AD. The institutions and organisations in this sector are mainly concerned with medical relief & supplies, medical education, training & research and community health Programmes.

Size of manpower

28.30 The Medical and Para-medical services together comprise about 25,258 personnel, of which 8327 are medical, and the rest para-medical and support staff. These personnel are primarily engaged in the delivery of preventive, promotive, curative and rehabilitative health care. The Medical personnel are part of three organised services - Central Health Service, the Indian Railway Medical Service and the Indian Ordnance Factories Health Service. There are also some medical posts outside these services. The para-medical personnel are organised into 11 categories which help the medical men in delivering the health services to the community at large. The figures of medical manpower for the period 1959-94 are as follows:-

Service	Manpower under different CPCs			
	2nd (1959)	3rd (1973)	4th (1986)*	5th (1994)
C.H.S.	1073	3138	3600	5233
I.R.M.S.	3880	2259	1650	2569
I.O.F.H.S.	521	397	550	275
Others	658	474	200	250
TOTAL	6132	6268	6000	8327

Source : Reports of different CPCs

Note : Figures of 1959 and 1973 include some Group B and Group C posts also, hence the decline, as only Group A posts were counted in later years

Annual Growth Rates

28.31 These figures indicate that between 1986 and 1994, the manpower in medical services has grown at an annual compound rate of 4.2% which is quite considerable when compared with the overall growth rate of 1% for civilian employees during the same period.

Experiences of the past

28.32 Experiments have been made in the field of medical insurance, privatisation of medical practices, health delivery services, clinic sharing, etc., within and outside the country. Various Committees and Government agencies in the past have gone into the question of organising and re-organising the health delivery system and services, in keeping with the goals of primary and total health care. It has been pointed out by them that there should be no wastage of talent in the utilisation of qualified personnel for routine duties, overspecialisation should be guarded against and curative and preventive measures should be integrated.

Advances in medical sciences

28.33 Advances in medical sciences and technologies have kept pace with pharmaceutical advances. Side by side, the emergence of newer diseases and

re-emergence of near-eradicated ones have made health delivery a complex and costly task. This has also highlighted the need for constant upgradation of skills and encouraging research and teaching experience. People of our country have faith in the traditional Indian Systems of Medicine and Homoeopathy (ISM&H) especially as the services provided are generally cheaper and available in small towns and rural areas and the remedies are known to be generally free from side-effects. A new Department of ISM&H was created in March, 1995, to give thrust to this growing area of indigenous science. The demands made in memoranda, oral evidence, expert opinions and replies to our questionnaire, have emphasised the need to restructure the health and medical services to make these more efficient and effective without increasing the burden on the common man.

*Consultancy
Study on Medical
Services*

28.34 Keeping in mind the above trend and seeing the disturbing rate of growth of medical manpower in the last decade, we organised a consultancy study through the Indian Institute of Public Administration to define the future role of Government medical services, in the changing socio-economic situation in the country and to suggest measures for restructuring the medical services. The study has pointed out that health will remain a vital function in Government and, at least in the foreseeable future, it cannot be left to market forces which are driven by profit-maximisation motive. It has also emphasised the role of primary and community health care as a leading one in the years ahead. We have kept in mind the suggestions in the consultancy study in making our recommendations.

*Granting
autonomy to
medical research
institutions*

28.35 Medical Education and Research is presently being carried out mostly in the Central Government and some autonomous institutions like Jawaharlal Institute of Post-graduate Medical Education and Research, National Institute of Communicable Diseases, Central Research Institute, BCG Vaccine Laboratory, Central and Regional Leprosy Institutes, Indian Council of Medical Research, National Institute of Mental Health and Neuro Sciences, Patel Chest Institute, National Academy of Medical Sciences, AIIMS, PGI, Chandigarh, etc. During discussions with us, Secretary (Health) and the Director General Health Service expressed the view that medical education and research should best be left to autonomous bodies or private sector. We have elsewhere expressed our opinion that creative scientific research requires flexibility and freedom to the extent possible to bear the desired fruit. **We recommend that medical research institutions should, as far as possible, also be organised in the form of autonomous bodies or registered societies.**

*Recognising
private hospitals*

28.36 The Ministry of Health has recently issued orders recognising private hospitals for in-patient and specialist treatment for Central Government employees and pensioners. Though we do not advocate complete privatisation of medical and health services, there is reason to believe that such a recognition reduces the pressure of manpower on Central Government institutions delivering health care. **We accordingly recommend that at least one private hospital in each city having a CGHS dispensary should be recognised for in-patient and specialist treatment of employees and pensioners.**

*Contractual
services*

28.37 The Consultancy study suggested that one way of attracting specialists and super-specialists and making their services available through Government institutions, is to resort to contractual appointments, with some flexibility to negotiate the terms between the contracting parties. This measure will obviate the need to have regular medical personnel with very high qualifications

and costs within Government service. A large number of medical personnel in Government are also working as general practitioners, though they possess specialist and super-specialist capabilities. We recommend that this internal resource should also be tapped for meeting such requirements. Contractual appointments should be resorted to wherever Government has a requirement for specialist and super-specialist services and is unable to fill posts through normal recruitment channels.

*Staffing Norms
and Multiskilling*

28.38 A number of manpower requirements in the field of health care, particularly of general duty officers, nurses, pharmacists, and some other para-medicals, are based on the daily assemblage at out-patient points and bed strengths. We are of the opinion that it is possible not only to work out such requirements in individual categories, but also an overall norm that can define the requirement of para-medical personnel, given the strength of the medical practitioners in an institution. The consultancy study has also pointed out that such a norm is possible, though it is entirely a new and separate area of study. We recommend that an expert committee be appointed to study this area, so that norms can be developed for arriving at medical-paramedical ratios based on bed-strengths and patients registered at OPDs, to optimise manpower requirements. The committee should also look into the possibilities of multiskilling the para-medical personnel, so that one person can perform more than one para-medical job.

*Privatising
certain
paramedical
facilities*

28.39 There are a number of para-medical and health support services readily available in the open market. Visits to some health care institutions, including CGHS dispensaries, indicate that much is left to be desired in terms of quality of service, promptness, cleanliness, etc. The consultancy study has brought out that a number of private medical laboratories for routine testing and other facilities have now come up in the open market. We recommend that routine laboratory tests, sanitation and security services should be obtained from the open market by reducing the Government arrangements after experimenting with the measure in some of the more congested dispensaries and hospitals.

*Review of old
health
programmes*

28.40 A number of health programmes like Malaria eradication and Filariasis control, TB Control, Iodine Deficiency Control, etc., as also preventive and promotive measures have been in vogue for long. A large number of personnel are engaged in institutions to run these programmes. We recommend that the expert committee, proposed above should also carry out a review of the effectiveness of these programmes as part of the Central Government set-up, and suggest whether the State Governments can now be handed over the implementation of these.

Conclusion

28.41 An optimisation based on these lines is not likely to affect the efficiency of health services in any way. We hope not only to freeze, but also to reduce the size of Government machinery, through these measures, at least by 30% over a period of next 10 years. Through the above recommendations, our aim is to keep the Central Government establishments, employed in delivery of health care trim and efficient, without diluting the objective of total health care.

Optimization : The Railways

National
Transport
Scenario: Rail
Road Modal Split

29.1 The railways and roads are two main modes of transport in our country. The railways are no longer the dominant mode of transport as can be seen in the relative growth and share of the two in national transportation scenario:

Table 1 Growth of Roads and Railways since 1950-51

Particulars	1950-51	1991-92	Percentage increase
Length of roads (Kms)	4,00,000	23,00,000	475
No. of passenger buses	14,000	3,70,000	988
No. of goods vehicles	82,000	16,05,000	1857
Route Km - railways (Km)	53,596	62,571	17
No. of passenger coaches	13,022	29,477	126
No. of goods wagons	2,05,596	5,58,347	171
Locomotives	8,342	16,931	102

Source: Planning Commission - Eighth Five Year Plan

Table 2: Road and Rail Modal Split (Estimates)

Mode	Year	Ministry of Surface Transport		Planning Commission		Average	
		Freight BTKM	Passenger BPKM	Freight BTKM	Passenger BPKM	Freight BTKM	Passenger BTKM
Rail	1985	182 (43%)	227 (20%)	182 (53%)	227 (23%)	182 (48%)	227 (21%)
Road	1985	338 (57%)	919 (80%)	161 (47%)	739 (77%)	200 (52%)	829 (79%)
Total		420 (100%)	1146 (100%)	343 (100%)	966 (100%)	382 (100%)	1056 (100%)

Table 2.1

Mode	Year	Freight	Passenger
Rail	1992	250 (39%)	307 (15%)
Road	1992	384 (61%)	1751 (85%)
Total	634 (100%)	2058 (100%)	

BTKM - Billion Tonnes Kilometres

BPKM - Billion Passenger Kilometres

Source: World Bank report, 1995 on India Transport Sector

*Share of traffic
for railways*

29.2 The experts on inter-modal allocation of traffic have visualised a higher share of traffic for railways. The National Transport Policy Committee which was set up in 1978 had projected a rail-road modal split of 72 - 28 for freight traffic. Similarly, the Steering Committee on Perspective Planning for Transport Development set up by the Planning Commission projected 72 percent share of railways out of 643 billion NTKMs (Net Tonne Kilometres) of inter-regional freight traffic for 2000 A.D. The perspective Corporate Plan of Railways (1985 - 2000) underlines the need for rapid growth of the Railways' freight traffic on the basis of expert projections in the following words:

"The Railways need to rapidly expand the freight transport capacity to keep in tune with the rate of growth of the economy. A reasonable scenario to plan for would be with 4.5% rate of growth of the economy and 65% share of the total land freight traffic for the Railways. On this basis, the Railways freight traffic in the year 2000 is estimated to range between 370 to 400 billion NTKM."

Future scenario

29.3 The national economic situation has taken a significant new direction since the projections above were made in the '70s and '80s. The Indian Railways will have to probably plan for a higher rate of growth than 4.5% of the globalising national economy. But the Railways are beset with very serious problems - inadequate and slow upgradation of technology, inadequate investments in the maintenance and expansion of the system, severe resource constraint marked by virtual withdrawal of budgetary support, negative flow of funds to General Revenues, annual social obligation of approximately Rs.2,000 crores and expensive market borrowings through Indian Railway Finance Corporation (annual lease charges to IRFC on this account are estimated at Rs.1677 crores in 1996-97 Budget Estimates); and the universally acknowledged fact of overstaffing in the Railways.

*Manpower
Profile*

29.4 The manpower profile of the railways during last few years indicates that a very significant 43 to 45 percent staff are in Group 'D' categories and approximately 31 percent are workshop artisans:

Group-wise Break-up of Personnel employed in Indian Railways

Group-wise Break-up	1990-91	1991-92	1992-93	1993-94	1994-95
Group 'A'	7,251	7,370	7,334	7,672	7,644
Group 'B'	7,039	6,938	6,308	6,106	5,835
Group 'C'					
i Workshop & Artisan	3,24,893	3,25,414	3,23,223	3,21,341	3,14,807
ii Running	93,722	93,745	92,770	91,904	92,075
iii Others	4,71,773	4,67,946	4,73,322	4,81,083	4,96,579
Group 'D'					
i Workshop & Artisan	1,98,069	1,88,627	1,88,258	1,91,121	1,83,443
ii Running	7,168	6,716	5,438	5,083	3,251
iii Others	5,40,872	5,57,260	5,34,267	5,20,983	5,06,337
Grand Total	16,31,789	16,34,066	16,45,521	16,25,495	16,02,051
Total Group 'D'	7,46,109	7,32,603	7,47,963	7,17,189	6,93,031
(45.1%)		(45.50%)	(45.45%)	(44.12%)	(43.26%)
Workshop Artisans (Group 'C' + 'D')	5,22,962	5,14,041	5,13,481	5,12,667	4,98,230
(31.66%)		(31.68%)	(31.20%)	(31.54%)	(31.15%)

Department-wise Break-up	1990-91	1991-92	1992-93	1993-94	1994-95
Administration	47,849	50,381	50,285	49,849	48,591
Accounts	32,295	31,462	31,304	30,502	29,943
Engineering	1,89,576	4,07,287	4,15,700	4,16,576	4,16,851
Signal & Telecom	76,948	76,021	77,425	77,761	75,855
Transportation	1,93,143	1,92,180	1,95,015	1,90,768	1,88,672
Commercial	1,19,421	1,14,267	1,14,370	1,14,708	1,13,863
Mechanical	4,68,755	4,60,670	4,41,051	4,27,379	4,10,708
Stores	41,480	40,097	39,125	38,025	37,321
Electrical	1,48,195	1,50,298	1,52,037	1,53,615	55,217
Medical	56,800	55,269	54,242	53,586	54,050
R.P.F.	61,141	60,512	59,065	57,069	55,569
Railway Board/other Railway Offices, including RPSI ²	16,186	15,622	15,902	15,657	15,411
Grand Total	6,51,789	16,54,066	16,45,521	16,25,495	16,02,051

Source : Ministry of Railways (Railway Board)

Staff Costs and
Financial
Viability of
Railways

29.6 Indian Railways is a labour-intensive organisation. The productivity of manpower, therefore, is an important factor for the organisation in sustaining financial viability. The Railways have been successful in arresting growth of manpower during the last few years - the total strength of employees, in fact, has shown a decline during 1991-92 and 1994-95. The cost of staff, however, has been steadily rising as shown below -

Year	Number of staff as on 31st March (in '000)	Expenditure on staff (Rs. in Crores)	Average cost per employee (Rs) at current prices
1950-51	913.6	113.8	1245
1960-61	1157.0	205.2	1774
1970-71	1374.2	459.9	3347
1980-81	1572.2	1316.7	8376
1990-91	1651.8	5166.3	31273
1991-92	1654.1	5760.6	34828
1992-93	1645.5	6562.4	39869
1993-94	1625.5	7286.5	44812
1994-95	1602.0	8076.9	50418

Source : Indian Railways : Year Book, 1994-95 (Ministry of Railways)

29.7 The staff costs are a substantial 45% of the ordinary working expenses in the Railway budget estimates of 1996-97. If liabilities on account of pension are included, the staff costs will be a very high 59.5% of the working expenses

	Rs. in Crores (Budget Estimates 1996-97)
Ordinary Working Expenses	16,457
Staff Wages and other Allowances	7,448 (45.3%)
Staff Wages including Pension	9,798 (59.5%)

*World Bank's
observations*

29 8

Experts have expressed serious doubts about the financial viability of the railways if the staff-wage bill continues to mount in this manner. The financial crisis on this account was predicted by the World Bank in their report 'India Transport Sector - Long Term Issues', 1995 when the Bank quoted from a report of Rail India Technical and Engineering Services and its own report of 1992 as under

"Indian Railways has been a remarkably successful financial enterprise, especially when compared to many other railways in the world. Despite the steady erosion of their national freight and passenger market share, Indian Railways has been able to show a surplus in most years and a satisfactory liquidity situation

In 1992, Bank staff examined railway accounts and found that the true costs of the labour force were much larger than commonly assumed. The addition to the formal wage bill of the wages of casual labour, pension payments and provision of housing, medical care and education and other in kind income raised the true wage bill in Financial Year 1982 to 52 percent of operating expenses instead of the official figure of 39 percent. By Financial Year 1991 this had increased to about 65 percent as rail wages rose faster than labour productivity. In preparing the projected financial statement through the year 2000 it was found that the only way to maintain satisfactory financial health was to assume a steady reduction in the labour force from 1.8 million in 1991 to 1.5 million by the year 2000 - a reduction in force of about 3,00,000 jobs. This would bring the true wage bill back down to 50 percent of operating expenses and sustained financial viability - a positive net result of about 7 billion Rupees. If, however, the labour force stays constant at the 1991 levels then the Rs. 7 billion surplus turns into a Rs. 17 billion (about US\$ 680 million) loss in the year 2000

This trend has been identified in a recent study commissioned by the Railway Fare and Freight Committee as a steadily rising average capital output ratio since 1986-87 and a steeply rising average cost per worker over the same time period. The inability to realize the labour saving benefits of investments has reduced dramatically the marginal productivity of rail investment while increasing the debt burden. The declining budgetary support of the Central Government is exacerbating the problem as funds can no longer be found to replace existing rolling stock assets. If the choice is between the wage bill and replacement of locomotives and wagons the wage bill, at least in the short and medium run, will win and Indian Railways will begin to look more like the other financially troubled railways of the world "

Source

- i) Indian Railway Productivity Improvement Project Report No 10054-IN, The World Bank, March 31, 1992.
- ii) Productivity Optimization on Indian Railways, India Rail Technical and Engineering Services, New Delhi, 1993

*Manpower
Productivity,
Comparison with
other countries*

29 9

The comparison with some other countries in terms of staff wages is favourable for Indian Railways but the productivity as measured in traffic units per employee is very low as shown in the statement below:-

Country	Wages as percentage of revenue	Traffic Units per employee
France	90	561
Italy	80	324
Japan	87	1364
United Kingdom	75	363
West Germany	126	445
Sweden	78	873
Spain	83	524
Canadian National	44	3036
China	26	391
Former Soviet Union	39	2219
India	45	318

Source: Railway Fare and Freight Committee Report, 1993.

Although such international comparisons are not very valid since Railways differ in size, mode of traction, extent of automation, level of technologies, socio-economic environment impinging on railways and even method of compiling statistics, the above statistics nevertheless indicate the twin phenomena of low productivity and low-paid but unduly large work-force in the Indian Railways.

Measurement of
Productivity

29.10 The measurement of productivity of a vast organisation like the Indian Railways is a complex task since this would involve converting all input and output elements into values. We have, however, made a limited exercise to examine manpower productivity in Railways by correlating number of employees and traffic carried by the system during the decade 1985-86 to 1994-95:-

Manpower and Traffic Carried

Year	Employee in Thousands	Index	Wagon Kms in millions	Index	Vehicle Kms in millions	Index
1985-86	1613	100	15,788	100	7,439	100
1986-87	1611	99.88	17,104	107.69	7,624	102.49
1987-88	1618	100.31	17,800	112.74	7,979	107.26
1988-89	1626	100.81	18,691	114.59	8,171	109.84
1989-90	1647	102.11	18,736	118.67	8,502	114.29
1990-91	1652	102.42	19,230	121.80	8,585	114.41
1991-92	1654	102.54	20,292	128.53	8,902	119.67
1992-93	1646	102.05	20,759	131.49	9,170	123.27
1993-94	1625	100.74	21,326	135.07	9,367	125.92
1994-95	1602	99.32	22,001	139.35	9,666	129.94

Source: Data on number of employees and traffic carried from Annual Report and Accounts (1994-95). Ministry of Railways

Analysis of
Productivity

29.11 This analysis shows that manpower productivity in terms of wagon Km and Vehicle Km increased by approximately 39% and 30% respectively against an almost stagnant work-force of 1.6 million during the decade. However, there has been a hefty investment of Rs.24,126 crores in Railways during this period. The decade of '80s is also marked by important managerial innovations which contributed to improvement in productivity. These innovations included

trainload booking', 'end-to-end running', closure of yards, steamsheds, etc., introduction of new design Box 'N' wagons and passenger coaches with larger capacity. We also find that during the decade from 1985-86 to 1994-95, the output cost doubled as worked out below -

Output cost per Vehicle/Wagon-Km

Year	Vehicle Km	Index	Wagon Km	Index
1985-86	3.85	100	2.02	100
1986-87	4.36	113.25	2.24	110.89
1987-88	4.67	121.3	2.42	119.80
1988-89	4.96	128.83	2.63	130.2
1989-90	5.57	144.68	2.85	141.09
1990-91	6.05	157.14	3.20	158.42
1991-92	6.46	167.79	3.35	165.84
1992-93	7.00	181.82	3.69	182.67
1993-94	7.41	192.47	3.86	191.09
1994-95	7.79	202.34	4.08	201.98

Source: Annual Report and Accounts (1994-95), Ministry of Railways.

RITES study

29.12 The productivity study done by Rail India Technical and Economic Services(RITES) indicates that despite improvement in staff productivity in terms of traffic units, the same is not reflected in the gross value added per rupee of staff cost after 1980-81:

Traffic Units and Gross Value Added per Worker

Year	Traffic Units (equated NTKMs per worker)	Index	Gross Value Added per worker (Rs.)	Index	Gross Value Added per rupee of total cost of staff* (Rs.)	Index
1970-71	1,22,434	100	4,628	100	1.519	100
1975-76	1,44,840	118	5,245	113	1.557	103
1980-81	1,62,040	132	6,511	141	1.996	132
1985-86	2,00,840	164	7,589	164	1.783	118
1986-87	2,17,230	177	8,208	177	1.567	104
1987-88	2,26,450	185	8,550	185	1.619	107
1988-89	2,24,350	183	8,506	184	1.598	106
1989-90	2,31,510	189	8,791	190	1.636	108
1990-91	2,32,235	195	9,084	196	1.748	116

* At 1965-66 level constant tariff rates

Source: Railway Fare and Freight Committee Report, 1993

Staff Reduction
Potential :
RITES-Diagnostic
Study

29.13 A further increase in the wage bill of Railway employees is inevitable after our recommendations are implemented by the Government. Remedial action should also be simultaneous. The Railway Administration can ignore the writing on the wall only at its own peril. The Railways will have to achieve much more in terms of improvement in staff productivity and reduction in manpower than indicated in the statistics above. A diagnostic study conducted by RITES in 1990

in Railways by the year 2000 -

Department	Strength	reductions (in Thousands)				Total	Net in 2000 A/D
		Steam traction	Redundancy	Contracting Out	Reduced Manpower on account of Productivity Improvement		
Accounts	32				Computerisation		
Commercial	116		28		16	44	27
Electrical	136	10	4	25	9	4	824
Engineering	415*	6	15		131	152*	132
Mechanical	451	7	3	20	70	175	110
Medical	55	1	28			29	29
Personnel	21	6			Computerisation	6	6
Security	60		20			20	20
Stores	38				10	10	10
Signal & Telecom	58			12	25	37	4
Traffic	197	20	6		19	45	45
Total	11577*	75	50	104	57	290	568*
Total excluding Casual Labour		1466				455	294

* Casual Labour 113

Note: This can be adjusted by keeping the fresh induction to the level of 35,000 men per year upto year 2000 against normal wastage.

The staff strength pertains to 1988-89 and does not include staff in RDSO, Railway Board and Production Units

Effective
reduction
potential

29.14 However, after considering the long-term measures which involved major design changes and certain other constraints external to the railway system, the study concluded that the effective potential for reduction is of the order of 70% of 2.94 lakhs i.e., approximately 2 lakh. The major areas of staff reduction identified by this report are:

- redundancy due to phasing out of steam traction 0.75 lakh
- redundancy in respect of train clerks, trolley-men, personnel staff, power supply to closed facilities and residential quarters, workshop activities 0.40 lakh improved productivity through revised incentive scheme in workshops and other measures 0.40 lakh
- revised norms for permanent way maintenance 0.20 lakh

Consultancy
Study
Commissioned by

29.15 With a view to updating the staff reduction potential assessed by RITES in their report, we commissioned the Institute of Applied Manpower Research (IAMR), New Delhi to undertake a limited study with following terms of

Commissioned by Fifth CPC Research (IAMR), New Delhi to undertake a limited study with following terms of reference

- i) To critically analyse staff reduction potential assessed by M/s RITES,
- ii) To update staff reduction potential assessed by M/s RITES in the light of significant changes in certain parameters like increase in traffic and staff costs, tariff and capital structure of the Railways, projected plan size for the 8th and 9th Five Year Plans and decasualisation of casual labour since 1990; and
- iii) To suggest solutions (other than retrenchment) for 'overstaffing' in Railways

IAMR's Assessment

29.16 The Institute of Applied Manpower Research expressed difficulties in carrying out the study strictly within the terms of reference on account of limited time and non-availability of adequate inputs from the Railways. They instead used the time-trend method for projecting the traffic and manpower requirements of railways for the year 2000 on the basis of data collected by them. IAMR thus assessed that the railways will need 14.4 lakh staff in the year 2000 and suggested that there is a surplus manpower of 2.6 lakh in Railways.

Views of the Ministry of Railways

29.17 The Ministry of Railways has strongly rejected the findings of the IAMR. The Ministry maintains that

- There is some misconception about the RITES report and other related studies
- The assessment of manpower for Railways in 2000 AD made by IAMR is beyond the scope of the terms of reference of the study commissioned by the 5th CPC.
- What has been assessed by IAMR is the manpower requirement of the railways in 2000 AD as 14.4 lakh staff whereas actual number of staff in 1993-94 has been taken as 17 lakhs. It does not follow that the balance are surplus in 1993-94, much less in 1995-96 when the report has been presented and by which time the staff strength had come down to 16.02 lakhs.
- There are serious flaws in the methodology adopted by IAMR. The Institute has relied on time-Trend method for arriving at projected traffic and projected manpower for the year 2000. The traffic output has increased, together with reduction in manpower in the past years. The projections based on statistics pertaining to these years are not valid since the underlying assumption is that increased output with continuous reduction in manpower can go on indefinitely. Moreover, the projections of traffic to be handled by the Railways in future cannot be arrived at by a simple regression analysis as done by the Institute.

since the patterns of working, kind of output, nature of available infrastructure, etc., vary from railway to railway and these important factors have not been given weightage in their approach.

The Ministry of Railways has also pointed out specific mistakes in department-wise statistics on staff relied upon by the IAMR in making its analysis and projections.

The Ministry of Railways has maintained that the task of forecasting the future number of staff required for the railways is extremely difficult and complex and has pointed out following further facts for our perusal:-

- i) Railways have introduced 521 new passenger trains since 1990
- ii) Revenue-earning freight loading has gone up from 319 million tonnes in 1990-91 to 391 million tonnes in 1995-96. In terms of Net Tonne Kilo Metres of traffic this increase is from 242.78 billions to 275.2 billions during the same period.
- iii) Expansion of rail network comprising Traffic Facilities, Doubling, Gauge Conversion, construction of new lines, etc., involving an outlay of Rs 6,364 crores in the last five years.
- iv) **Despite such expansion of services Railways are continuously reducing establishment to the extent of about 2% every year.**
- v) Reduction of staff from 1990-91 to 1995-96 is 0.142 million (7.97%). Had the traffic output per staff remained at the same level as in 1990-91, the railways would have required 1.972 million staff to handle the traffic during 1995-96. Thus effective reduction because of increase in productivity of staff works out to 18.6% over 1990-91.

1. 2000-2001

29.18 The protestations of the Railway Administration notwithstanding, we gather that there is virtual consensus among railway managers regarding overstaffing in railways. The areas of redundant manpower are also well identified as noted in Railway Fare and Freight Committee Report of 1993:-

"Most of the Steam sheds have been closed; several yards have been closed, track maintenance has been mechanised on several sections; workshops have been modernised; a number of goods sheds have become redundant; some of the old train examination depots are not required with induction of new airbrake stock; accounts work has been computerised, and typing work has been drastically diminished with the induction of photocopiers."

29.19 The World Bank report of 1995 on Indian transport sector referred by us above prescribes conventional down-sizing and disinvestment for Indian Railways. The report also points out that 'rail reform is well advanced in other reforming economies and the experience indicates that this is a difficult area of adjustment for politicians, rail labour and management'. The report suggests rail

reforming economies and the experience indicates that this is a difficult area of adjustment for politicians, rail labour and management'. The report suggests rail reforms through 'un-hundling' of disparate service and equipment providers into coherent focussed corporate entities - public and/or private. We can make out from the response of Railway Administration on this issue, conveyed to us during official evidence, that railway management does not consider corporatisation as feasible or desirable but there is a growing awareness of the need for reforms. The views of the railway management are dictated by the harsh reality of Indian Railways still being a public utility service providing crucial infrastructure for the balanced economic growth of the country where rail fare and freight rates are determined more by socio-economic and political considerations rather than by the forces of demand and supply.

The Ministry of Railways has significantly conveyed to us that they have yet to see the success and viability of Konkan Railway Corporation. The Ministry has noted the progress achieved in developed countries where the government owned railways have tried corporatisation and privatisation of rail network with following advantages claimed by them -

- Better use of railway assets
- Greater responsiveness to the customers.
- Higher quality of service
- Greater emphasis on profitability

Views of the Ministry of Railways on corporatisation

29.20 **The Ministry, realising the importance of making competitive changes for remaining financially viable, has conceded the need for divesting the Indian Railways of manufacturing activities in the context of non-progression of technology and quality. However, it considers the wholesale corporatisation of Railways as non-implementable for the following reasons:-**

- i) Indian Railways is the most visible symbol of Central Government and peoples' expectations from the Railways are enormous. Expansion of the rail network in any area has come to symbolise development in public perception.
- ii) While private ownership may do better in terms of productive efficiency, this is out-weighted by losses of allocative efficiency and other non-commercial yet critical socio-economic outputs. Indian Railways is in many ways a binding force and symbol of national integration which would be lost if it is corporatised.
- iii) The capital at-charge of IR belongs to the public and any attempt at complete commercialisation will not be supported by the public.
- iv) There is no empirical evidence to prove that corporatisation per-se will improve the overall health of the system, especially in a set up where the management and staff remain more or less the same even after corporatisation.

Our recommendations

29.21 We would like to express our views on the various aspects of the problem as under -

to whether the core functions of the railways can be corporatised, there is no doubt that all the manufacturing, repair, overhaul and maintenance activities are fully ripe for being hived off into separate corporate entities.

- b) **Privatisation:** Certain initiatives already taken like the contracting out of big projects on gauge conversion, doublings etc., under Build-Own-Lease-Transfer Scheme, Own Your Wagon Scheme and privatisation of all future catering services, etc., must go forward apace. The Railways must look out for other avenues where the private sector can be involved in its work. Some obvious areas are sanitation, maintenance of buildings and equipment, computer-related work, passenger and goods booking etc.
- c) **Optimization:** Estimates of surplus staff in the 2000 A.D. may vary from 2 lakh to 2.6 lakh. The fact remains that railways have too much manpower. Without quibbling on the exact number of surplus employees, the railways must abolish all vacant posts, not create any additional jobs and reduce manpower annually by 2 to 3% for the next 10 years.
- d) **Redeployment:** There should be plans for retraining and redeployment of some staff against new services and projects, so that there is as little retrenchment as possible. A 3% cut is possible even with normal attrition due to retirement, death and resignation.

Conclusion

29.22 In conclusion, we would endorse the following exhortation of the Railway Fare and Freight Committee (1993) for the railway management:-

"Financial viability and future development of Indian Railways will depend on how much they can reduce their expenses and unit costs in the coming years. We feel that at least three percent of cost escalation should be absorbed by IR every year to be able to keep the tariffs low and keep the costs down. To raise the productivity of service work, it cannot be done by governmental or political action. It is the task of managers and executives in the railway organisation. It is the first social responsibility of management in the knowledge society"

Optimization : The Postal Services

GENERAL INTRODUCTION

History

30.1 Postal services are among the oldest known community services in the country. Systematic organisation of the Postal services in the present form began with the creation of the Department in 1854. With the promulgation of the Indian Post Office Act, 1898, all private transmission of letter mails was integrated with the centralised Government postal system. The Act continues on the statute book. The Postal services are based on the four pillars of universality, statutory protection, parliamentary regulation of rates and reasonable liability for mail or remittance. The services offered by the vast postal network play a crucial infrastructural role in the socio-economic development of the country.

Network

30.2 India has the largest network of Post Offices in the world - 1,52,786 Post Offices (89% of them in rural areas) - handling over 13,339 million postal articles annually. These Post Offices are organised into 19 Postal circles comprising one or more States/Union Territories, structured into 435 Postal Divisions headed by a Divisional Superintendent of Post Offices. Post Offices are classified as Head Post Offices (834), Sub-Post Offices (24,818) and Extra-Departmental Sub- and Branch Post Offices (1,26,385). Of these 1,45,966 Post Offices (96%) perform the delivery function, and 170 provide night postal facilities. On an average, each Post Office serves a population of 5,553 within an area of 21.60 sq. km.. To operationalise such a vast network, the Postal Services are manned by 5,96,062 personnel, over 3 lakh of them being extra-departmental. Further, there are 573 Sorting Offices and 438 Record Offices, under Railway Mail Service Divisions handling sorting, routing and transmission of postal articles.

EMERGING SCENARIO

30.3 Earlier, the Postal services enjoyed a monopoly status, the traditional view of the service being that it is a social responsibility. As a Government department, the postal services enjoy a reputation of a public utility service with a legal sanction backing it, in as much as the proof of delivery of any postal article furnished by the Post Office is accepted as a legal document in any court of law. There is also a

growing realisation that postal services cannot remain unaffected by market forces and commercial considerations. The postal environment has been transformed in the course of the last six years. The global emergence of private couriers, largely in the more remunerative traffic areas, coupled with the onslaught of information technology-based electronic communications, indicate the changing needs of postal end-users. The combination of objectives, priorities and constraints require review in this changed environment. Commercial potential of postal services has come to co-exist side by side with the need to meet social obligations. The tapping of the Panchayati Raj system for aiding rural Postal services in the form of Panchayat Sanchar Yojana, along with steps to upgrade the quality of Postal services to meet the changing needs of the market, tangibly reflects such a situation.

NEED FOR RESTRUCTURING POSTAL SERVICES

- | | |
|------------------------------------|--|
| <i>Objective</i> | 30.4 The objective of the Department of Posts is to ensure an efficient, economical, speedy and reliable postal service in the country. In rendering this service the Department's mission is to reach both quantitative and qualitative excellence aimed at total user satisfaction. |
| <i>Previous Pay Commissions</i> | 30.5 The Third and Fourth CPCs both attempted to highlight the need for efficiency and effectiveness in the Postal Services. The Fourth CPC recommended that the Postal services and personnel management may be reviewed by a Committee so that it is possible to achieve postal excellence and give satisfaction to those employed in the vast infra-structure of the Department. |
| <i>Expert Committee</i> | 30.6 An expert Committee on "Quest for Postal Excellence" observed in 1988-89 that many of the newer organisations had responded to and accepted modern technology and methods of work, but the postal service because of its colonial origin had continued without much change in its early work practices. The Committee noted that the postal service failed to (a) attune itself to the changing needs of the various segments of postal users; (b) increase the productivity of postal employees in the context of increasing man-power costs and availability of new technology; and (c) respond to the low morale of the postal employees who do routine manual jobs which offer no chance of upgradation of their skills and self-development. |
| <i>New Initiatives</i> | 30.7 Since the time of the Postal Excellence Committee, there has been a planned effort to modernise the postal system. Beginning with Speed Post on 15th August, 1986, a number of new services and strategies have come into operation. Introduction of automated mail processing, computerisation of counter and other operations, including Hybrid Mail and Satellite Money Orders, value added services, dedicated transmission channels for Business, Metro and Rajdhani Mails, ergonomics and other technology inductions are outstanding instances of the efforts to meet the modern market challenges. |
| <i>Suggestions for improvement</i> | 30.8 On the service front, aspirations of the users with respect to postal services need to be met without dislodging the social objective. Age-old practices require a fresh look towards modernisation and efficient postal services. There is discernible anxiety to meet the emerging market challenges in the face of a growing perception that the postal services have not been able to meet the ever increasing demands of postal traffic. There is substantial evidence to suggest that subsidy |

aimed at meeting social objectives of the postal services, is diverted to the advantage of commercial users. Memoranda received in the Commission also point to the need for greater autonomy for the postal services to meet the challenges of a changing socio-economic environment, such as upgrading the Postal Services Board and vesting it with more powers to take financial and administrative decisions, freedom in operation of the pricing regime vis-a-vis the costs and market conditions, and measures to contain the postal deficit, so that the services can tap the existing and future commercial potential and turn into an efficient and profitable venture. The postal deficit was at the level of Rs.262.99 crores in the fiscal year 1989-90, which came down to Rs.91.81 crores in 1992-93. By 1994-95 the deficit had again risen to Rs. 146.14 crores.

CONSULTANCY REPORT ON RESTRUCTURING

30.9 Recognising the need for change, we engaged the Faculty of Management Studies, University of Delhi, to study the areas of restructuring in the postal services, with a view to identifying its strengths and weaknesses in the face of changing socio-economic scenario and emerging pattern of demands for postal services, and suggesting alternatives to the existing structure and functions and the changes necessary for providing accurate, speedy, cost efficient and customer-friendly postal services, including measures to optimise the manpower deployed in the Postal services.

*Recommendations
of the Study:*

30.10 The Consultancy Study observed that though the postal network in India is one of the largest in the world with a penetration that is wide and deep, its capacity as a network to cope with the emerging service demands in terms of magnitude, range and quality is currently under doubt. Rising costs of operations and escalating need for budgetary subsidy are neither necessary nor desirable. The Department is showing evidence of strain and overstretch. It is currently facing a crisis of mismatch of two major kinds - first, its current competence and attitude on the one hand, and the magnitude of growing demands on the other; and second, its overwhelming preoccupation with the familiar services at low cost and falling levels of efficiency on the one hand, and a fast growing, highly demanding and considerably lucrative emerging market in the urban business sector on the other. It further notes that despite the efforts at modernisation and introduction of strategic changes in the recent past, there is still substantial scope for optimisation.

30.11 The study has made several suggestions on restructuring the postal services. These have taken into account the need for eliminating obsolete and inefficient units, creating newer ones for more efficient and effective functioning and acquiring new capability to serve emerging needs, as also reorganising the organisation's manpower structure. We have kept in view the suggestions made by the Consultancy Study in making our recommendations.

RECOMMENDATIONS FOR STRATEGIC CHANGE

*Focus on
Personnel*

30.12 As our major focus is on personnel, we would like to take up personnel-related issues first. The attempt here should be to recruit the right kind of persons to the various jobs. They need to be younger in age, more educated and a larger percentage of them should be selected on merit rather than mere seniority.

*Internal
recruitment*

30.13 We note that no direct recruitment takes place at any of the operative or higher levels between Postal/Sorting Assistants (Rs 975-1660) and the Indian Postal Service Group A (Rs.2200-4000), though several functional levels exist. The operative cadre of Postal/Sorting Assistants provides for direct recruitment to the extent of 50%, while Postmasters, Inspectors and Postal Superintendents are recruited entirely through departmental channels. The Third CPC, while observing the need for greater efficiency in the P&T services, recommended reduction of the promotion quota from 50 to 25% at the clerical level and introduction of direct recruitment to the tune of 25% at the level of Inspectors, subject to improvement of pay scales for the latter. The Fourth CPC also observed a similar need and recommended an element of direct recruitment both at the level of Inspector as well as at Postal Superintendent's level, to meet operational efficiency and flexibility in deployment.

*Consultancy
Study on
Recruitment*

30.14 The Consultancy study has suggested that with changes in users' demand patterns and the Department's ongoing efforts at modernisation and re-organisation, there is an urgent need to bring down the age profile of the workforce, and raise the entry level educational standards, talent and innovative capacity. It has also suggested segregation of entry via the Extra Departmental Agents route. Since almost 80% of the employees rise to higher levels through internal mechanisms, this results in a larger part of the organisation reflecting an age profile devoid of fresh, young and competitive talent from the open market.

*Direct
recruitment*

30.15 We, accordingly, recommend that direct recruitment at the entry level below that of Postman may be kept at 100% with a minimum entry level qualification of 8th Standard. Postmen/Mail Guards may be recruited directly from the open market to the extent of 25% with at least matriculation qualifications, the remaining 75% being recruited through the existing mechanisms. As the Department has embarked on a long term modernisation and computerisation programme, direct recruitment at the level of Postal/Sorting Assistants may be retained at 50%, as at present, with the entry level qualifications being raised to 10+2 standard with knowledge of typing and computers. In the interest of procuring the best possible talent from the open market, the induction should be through a competitive examination. Further, one more level of such recruitment being absolutely essential, direct recruitment to the extent of 33-1/3% may be introduced at the level of Inspectors with minimum entry level qualifications of Graduation. This recruitment can be made through the Inspectors' Grade Examination conducted by the Staff Selection Commission annually. The remaining 66-2/3% vacancies can be filled through the existing mechanisms.

*Inspectorial
Cadres*

30.16 There is a demand for upgradation and merger of Inspectors in the Postal and RMS Branches inter-se as also merger at the higher level of Assistant Superintendents in both branches. While the Consultancy study has suggested merger of these two streams with that of Supervisors, it has also pointed out that due to non-availability of time-bound promotions to inspectors and placement below those they supervise there has been an erosion of supervisory authority. Supervisory function in the postal services needs to be improved. Inspectors constitute the key personnel in this respect. The neglect of this category has been costly. The Department has suggested that Inspectors need to be upgraded to restore the command structure and that Supervisors being crucial for continuity in operative work, should be kept as a distinct stream. Merger of the Inspectorial

cadres should be effected between the Postal and RMS Branches. The Third CPC did not favour merger as the two sides carried different nature of duties. The Fourth CPC considered the question of merging not only the Inspectors but also Postal & Sorting Assistants as well. It felt that instead of a piece-meal and fragmented approach, cadre restructuring should be comprehensive to take care of all relevant aspects and safeguard career interests. However, it did not recommend any merger of the two branches. We observe that the following Inspectorial posts exist in the two branches. -

PAY-SCALES	POSTAL BRANCH	RMS BRANCH	TOTAL
Rs.1640-2900	ASPOs - 1,362	ASRMs - 345	1,707
Rs.1400-2300	IPOs - 1,905	IRMs - 173	2,078
TOTAL	3,267	518	3,785

Merger of Inspectors and Assistant Superintendents of Postal and Mail Branches

30.17 Inspectors in both branches form feeder grades to the posts of Assistant Superintendents who, though functionally different, merge at that level, only to form a feeder grade to the Postal Superintendent Service. Inspectors form the first executive rung for postal and mail operations, for feeding the first rung of Junior Managers which is common to the two Branches. We feel that interchangeability and experience in both is essential to be effective as Junior Managers, and accordingly recommend that Inspectors of Postal and RMS branches be merged into a single cadre. Consequently, the promotion level of Assistant Superintendents in the two branches will also be merged.

Operative Staff

30.18 Time-bound promotions provide adequate career growth opportunities for the operative personnel upto HSG-II, and thereafter, vacancy based promotions to HSG-I and a 6% examination channel in the Postal Superintendent Service. Because of higher qualifications and skill input required at entry, that we have suggested above, we also recognise the need to place such entrants at a higher entry level pay-scale. We have kept this in view while giving our recommendations on the revision of pay-scales, in the relevant chapters.

Fast-track promotions

30.19 The Postal Federations have also demanded introduction of a fast track for the meritorious and qualified personnel in the higher echelons of the middle level operative structure. The Department also feels that such a mechanism will be extremely useful in the matter of flexibility to meet competitive market demands, as also man the critical areas with the best available talent. We are of the opinion that such a measure will go a long way in recognising exceptional talent and improving efficiency in the performance of the postal services. Generally, the Department has a system of examination for internal recruitment to the grade of Postal/Sorting Assistants and Postal Superintendent. 50% of the vacancies in the former grade are filled by direct recruitment. 75% of the vacancies in the grade of Superintendent are filled by promotion and 6% through departmental examination of supervisory operative staff. Keeping in view the above position, we accordingly recommend that the vacancies under the Departmental examination system for the levels of Postal/Sorting Assistants and Postal

Superintendents be reserved to the extent of 50% and 19%, respectively, for such a fast track.

Staffing norms

30 20 Shortages of manpower have often been cited as the single largest factor affecting the efficiency of the Postal services. The Marathe Time Test is a standard yardstick developed by the Department of Posts since 1951 to assess manpower requirements in the post and mail offices. Posts are "created" based on man-hours revealed by the test. The norms are also cited to justify manpower shortages. The consultancy study has suggested that the norms and productivity measurements should be made upto-date to determine meaningful staffing patterns and efficient evaluation of performance. The study has further pointed out that despite the existence of norms no action is initiated at testing actual performance, except in the RMS through periodic tests for increment and efficiency bar, in the first ten years of a sorter's service. Manpower shortages are, thus, cited as a blanket thrust area for improving efficiency. The Department needs to follow a more rational approach based on an objective assessment of need, and also find newer ways, through modernisation, computerisation and reorganisation for improving efficiency. The norms need to be updated and reset. The old norms based on the Marathe Time Test have lost their relevance, and are now only helping the staff to obtain overtime payment even when it is not justified. The Department's view is that modernisation and mechanisation efforts have been initiated to meet requirements of efficiency. There is need for change in work culture, upgrading skills and leadership at supervisory and management levels, and making field units self-sufficient. We find that with the emergence of automation, computerisation and modernisation, not only have the norms become outdated, but even for existing methodologies no new norms have been developed. The inherent dysfunctionality is manifest in the fact that they are based on "time" rather than "piece". Time taken for a transaction is different for different persons in a given technology, but it could vary for the same set of persons using different technologies. Consequently, piece rates have to be conditional on the specifications of technology. The norms also do not provide for constant improvement over a period of time as the skill of the worker improves with experience. There is an urgent need to redefine the basis of the norms as also the norms themselves. To begin with, the Marathe Time Tests should be shelved wherever newer methodologies of transacting business have been evolved. Piece-based manpower requirements may be evolved by engaging independent consultancy, if necessary. The revision of norms must incorporate a factor for upgraded skills by experience as well as training in new technologies. These norms can, thus, be used for staffing to meet traffic requirements and working out incentives for higher efficiency. The higher norms should be used at successive stages of assured career progression.

Sorting services

30 21 Among the operational areas of the postal services, sorting has been a major concern with the management as well as staff. While the Federations of Postal Unions have demanded re-opening of Sorting Sections, the Consultancy Study has suggested separating the sorting functions from other postal functions by relocating them at more suitable suburban locations in order to pool the requirements and for speedier sorting through mechanised means. It will also be conducive to the emergence of a new physical layout and office environment so as to ensure an optimal restructuring. Both suggestions in fact run in diametrically opposite directions. While the former suggests mobile sorting on running trains, the latter specifically desires to separate the sorting function from the Post Offices in favour of suburban (but stationary) relocation. Till 1984, the process of sorting,

routing and transmission was also done on running trains through sets of travelling mail personnel known as "Sorting Sections". On a reorganisation of the sorting pattern, the Department abolished sorting work on running trains, concentrating it at stationary locations in the existing "Mail Offices". The Department neither favours reopening of sorting sections, as the sorting patterns have undergone substantial changes, nor separation of sorting function from the Post Offices, as both measures would lead not only to further delays in mail transmission and delivery, but also reverse a conscious decision taken for improving efficiency. We feel that delay in mail transmission and delivery cannot be assigned to the abolition of erstwhile sorting sections. Delays take place due to missorting, misrouting or missending, which are all rectifiable by better supervision rather than by sorting on running trains. Routing and transmission is still done on running trains by handling only closed bags through "Transit Sections". Moreover, running trains are unidirectional and mails are sent entirely pre-sorted for destination mail offices, instead of the earlier system of loading unsorted mails in "Sorting Sections". Reopening Sorting Sections will also involve substantial additional manpower. **We, therefore, do not recommend such a measure.** On the question of relocating the sorting function, we observe that sorting and transmission is already specialised and concentrated in RMS for detailed sorting purposes. Post Offices are engaged only in preliminary segregation of mails for facilitating the detailed sorting at RMS. In the process, about 40% of postal articles get finally sorted out for delivery destinations without intervention of RMS. Lack of mechanisation is not due to non-concentration of articles, but more because of non-standard sizes of postal articles and improper pin-coding. Shifting sorting work from Post Offices to suburban specialised Mail Offices will introduce an element of in-built delay in transmission from collection centres to suburban locations and back. Sorting and transmission has necessarily to be located closer to modes of transport, mainly the Railways and Airlines for speed. **We do not agree to the suggestion for relocating the sorting function.**

Agency Functions 30.22 Demands and suggestions have also been made in respect of the Agency functions of Savings Bank and Postal Life Insurance, and for the merger of the National Savings Organisation with the Post Office Savings Bank. The Postal Federations have demanded separate cadres for these fields of activity, with pay, allowances and service conditions comparable to banks and Public Sector Units, on the ground that these are specialised functions and the work is not dissimilar to that of such organisations. Postal Assistants man the Savings Bank and PLI setup, at the operative end. The former are posted on the basis of an aptitude test for Savings Bank and are paid a special allowance of Rs.60/- per month if fully engaged in savings bank work, and Rs.30/- per month if partly engaged. In the PLI, business is canvassed through specially engaged Development Officers from among Postal/Sorting Assistants with 5 years' service on a 5-year tenure. The Department of Posts has observed that sufficient number of volunteers for aptitude test and posting in SB Branch are not forthcoming and officials not qualifying the test are posted for SB work, thus rendering them ineligible for the allowance. There is also a Savings Bank Control Organisation which carries out concurrent internal audit of the SB transactions of the Post Offices. This is also manned by Postal Assistants. Though the Department agrees that work in the SB Branch is comparatively more complicated, skilled and risk-prone, it is not in favour of constituting a separate cadre, but has suggested grant of allowance to all operative and supervisory personnel doing SB work at higher rates in the existing

arrangement to attract sufficient staff. Neither does it favour a separate cadre of P.L.I manpower. We agree with the viewpoint expressed by the Department in as much as the staff in these two units are concerned. We accordingly recommend grant of higher allowance to attract Postal Assistants for the aptitude test, as a substantial number of these personnel would also be engaged in work other than Savings Bank while working at Post Office counters. The SB incentive may be raised to Rs.150/- per month for staff fully engaged in SB work; and Rs.75/- per month for those partly engaged. Staff in the Savings Bank Control Organisation will not be eligible for this allowance as they are engaged only in concurrent internal audit, without actually performing the savings bank function. The existing arrangements for Postal Life Insurance are sufficient and no change is called for.

*Merger of N.S.O.
with Post Office
Savings Bank*

30.23 As regards merger of National Savings Organisation with the Post Office Savings Bank, we note that the two functions are entirely different. While the Post Office performs the task of Savings Bank only as an agency function for the Ministry of Finance, the National Savings Organisation is a subordinate office of the Ministry overseeing the mobilisation of small savings and developing programmes and schemes for the purpose. The central role of the Post Office in the economy is that of a carrier and distributor of mails. The agency function is entrusted to it only because of its extensive network and reach. **We do not feel it desirable to saddle the Post Office with resource mobilisation functions in addition to those it already handles.**

*Market
orientation*

30.24 Demands in various memoranda have voiced concern over the "loss-potential" of the Postal services in the existing price and traffic management regime, leaving virtually no room for manoeuvrability to tap commercial potential. The Consultancy study has recommended that the postal services must have market orientation and cost consciousness in order to survive as an efficient and respected service agency. It has pointed out that the Department's finances are overstretched, and there is lack of clarity in the commercial and social objectives of the Department. There is an inherent mechanism in the system to incur losses in the name of public service. There is a mismatch in the Department's overwhelming preoccupation with the familiar services at low cost and falling levels of efficiency on the one hand and a fast growing highly demanding and considerably lucrative emerging market in the urban business sector on the other. The study has suggested the setting up of a permanent Tariff Committee and a Strategic Management Group to go into these twin areas. The Department feels that the services have been subsidized by keeping tariffs artificially low, and post offices opened with an in-built element of "permissible limit of loss". The Department is already seized of the problem and has endeavoured to bridge the resource gap by optimising productivity. Recognising the existence of commercial potential in the postal services, we are convinced by the arguments put forth by the Consultants. The use of post cards by competing television channels to market themselves for larger viewership is a classic case of diversion of subsidy from social objectives to commercial usage. The problem requires solution in terms of both costs as well as tariffs. Secretary (Posts), during official evidence, was of the view that the two existing posts of Assistant Directors General in the Costing and Rates units manned by personnel of the Central Secretariat Service were sufficient for the purpose. Besides, there was one post of Assistant Director General (Statistical Unit) encadred in the Indian Statistical Service, along with independent CSS and statistical staff in each of these. **We suggest that the Department should**

examine the feasibility of encadring the posts of the Costing and Rates Units in the Indian Cost Accountants Service and reorganise the three hitherto separate units into a professionalised Costing Unit headed by a JAG Officer, responsible directly to the Postal Services Board through the Senior Deputy Director General. While there may be no need for a separate and permanent Tariff Committee, the Postal Board itself should perform this function through greater autonomy for all areas of postal services catering to a "market". Market orientation should be directed at the free play of the forces of demand and supply and economic decisions based thereon. We recommend a one-time high-powered Tariff Committee to go into areas of business that the Postal Board can be fully vested with for the purposes of commerce-based tariff fixations. The constitution of a Business Planning Directorate, in our view, is a sufficient beginning towards a Strategic Management Group, which must come from within the Organisation.

*Commercial
Potential,
Corporatisation
and Privatisation,*

30.25 This brings us to the question of commercial potential of Postal services. The Consultancy study has identified a vast commercial potential in the field of Speed Post, Postal Life Insurance and Business Mails and has suggested corporatisation of these ventures for tapping the potential. It has also suggested privatisation of certain operations not only for relieving Government of any commercial activity as far as possible, but also improving efficiency and productivity and reducing the size and presence of the public sector for savings of resources. It has been able to find only marginal evidence of privatisation in other countries. The study suggests launching of a retail private network for sale of stamps and stationery as the rate of growth of Post Offices has declined during the last five years and counter facilities are now located at considerable distances, particularly in new satellite townships. It has also suggested revival of private booking of Registered and Speed Post articles through authorised agents for reducing counter pressure and to provide effective edge in efficiency and availability of Postal services. An innovative measure to augment delivery efficiency has also been put forth. The study feels that privatising all delivery, except Money Orders, Registered and insured articles, on commission basis has substantial potential for bringing about efficiency and effectiveness in delivery work. The Secretary, Department of Posts, during oral hearing before the Commission, favoured autonomy in certain operational areas, like Speed Post and Philately, for generating revenue through commercialisation. He did not, however, favour corporatising Postal Life Insurance and Savings Bank because of legal and other complications. The Department of Posts provides a social service. Certain functions, like stamp vending and conveyance of mails, had already been in the private sector to a great extent. He felt that reliability was a prime consideration in these matters. Privatisation could be tried out in some services. Competition in delivery of mails could be introduced, though it required amendment of the Post Office Act, which postulated transmission and delivery as a monopoly function of the Government. A licencing procedure could be introduced, along with a regulatory authority. We are inclined to accept the suggestions made. **Speed Post and Philately may be corporatised for greater autonomy and marketability.** The Department must, however, first ensure availability of funds for capital investment and terminal benefits to be paid to Government employees on switching over to a Corporate set-up. **Sale of stamps, stationery and postal orders may be considered for organising through a retail private network.** Clearance of letter boxes, conveyance of mails and delivery of articles not requiring proof

of delivery may also be considered for private participation, experimentally, if necessary, through contractual arrangements. The system of Licensed Postal Agents, that existed upto the late 1980s may be revived to augment counter facilities with the long term objective of restricting sale of stamps and stationery to the larger Post Offices which will stock them for distribution to agents. Privatisation of delivery through sponsorship, single-point delivery or private agencies may be considered on experimental basis in newer delivery areas, where redeployment is not possible, at least of all mails for which no account is kept during the course of postal transmission. The scheme, if successful, can be gradually introduced to other centres. There are other areas where private contracts should be adopted for optimising the size of Government machinery in the Department. These are canteens, security, cleanliness, and gardens. Isolated posts such as carpenters, electricians, painters, book-binders, etc., handling services freely available in the market should also be abolished in favour of such open market facilities. A separate establishment is not considered necessary for the purpose.

Other areas of optimisation

30.26 The question of optimising the size of Government machinery has been considered in consultation with the study group and the Department of Posts. The study group has suggested that Mail Motor Service and Postal Civil and Electrical Wings should be disbanded. The former is a costly drain on the Department's resources, with difficulties in getting qualified personnel to run the services. The latter had no logic at the stage of its creation and its idle capacity is also a drain on resources, not justifying its contribution in terms of architecture, layout and quality of construction. The Organisation also supports a Postal Machines Repair Organisation (PMRO) for servicing, repair and maintenance of postal machines and a printing press at Bhubaneswar planned for catering to the form-printing requirements of postal circles in that region.

Mail Motor Service

30.27 The Mail Motor Service (MMS) employs a total of 2847 personnel, of whom 18 are automobile engineers at Group A level. The Unit conveys mails between Post Offices and Mail Offices within local limits of cities. The larger units include in-house repair workshops. It has 1103 vehicles spread over 91 cities, largely metropolitan towns. Inter-city mail conveyance is already privatised to a considerable extent. During oral evidence, Secretary (Post) informed that MMS is already frozen and is being phased out. We note that MMS conveys about 8% of the total traffic in postal articles. It is expected to provide reliable time-specific, intra-city mail movement, and also remain available in restricted, congested and security-sensitive areas. We are aware that even the Police Departments are now resorting to regular private conveyance of personnel and goods. There is no reason why private conveyance of mails cannot be organised on similar terms. We accordingly recommend that the Mail Motor Service be disbanded in a phased manner city-wise, within a period of five years.

Postal Civil Wing

30.28 The Postal Civil Wing looks after the construction, repair and maintenance needs of real estate of the Postal Department, comprising over 26,000 operative buildings and staff quarters. It also assists the Department in fair rent assessment of over 24,500 rented buildings all over the country, including those in the rural interiors. The Wing is actually under the administrative control of the Department of Telecommunications. The Department of Posts only maintains a skeletal set-up of 1721 staff and officers for both Civil as well as Electrical works. The existing setup seems quite adequate for the purpose allocated to them and may be retained.

*Postal Machines
repair
Organisation*

30.29 The Postal Machines Repair Organisation has two operative workshops at Delhi and Madras with some staff posted in Postal Circles also. It has a total staff strength of 80, headed by a Senior Manager (Rs. 3000-4500). It undertakes repair, maintenance and overhauling of various machines like Franking Machines, Hasler Machines, Registrex, Adding and Listing Machines, Weighing Scales and other electro-mechanical devices. It also undertakes fabrication, stocking and procurement of spares, besides providing R&D support related to these machines. With the ongoing modernisation programme and induction of modern technology, even at the most interior locations, where suppliers and private Annual Maintenance Contracts (AMCs) are unable to reach out promptly, the organisation may be retained for the time being. **However, the Department should move towards a system of AMCs, specially for sophisticated and costly equipment.**

Printing Press

30.30 The Printing Press at Bhubaneswar engages about 150 personnel and works to only 60% of its installed capacity. During oral hearing, Secretary (Post) was of the opinion that the press should either be strengthened or taken over by the Directorate of Printing. There appears to be no case for strengthening as the Press is not working to capacity obviously because of inadequate workload. **With ample market avenues available for printing work, we feel that the press should be disbanded.**

CONCLUSION

30.31 It is our earnest hope that with the implementation of the above recommendations there will be a 30% reduction in staff on an overall basis over a period of one decade, and the Department of Posts will thus fulfil its twin tasks of providing a service to the customers and not imposing a burden on the national exchequer. This will be done by concentrating on the primary tasks which Government should perform and allowing its commercial wings and the private sector to look after the lucrative section of the market. With a younger, leaner, better educated, meritorious and well-supervised workforce, it can certainly be transformed into a beacon-light of efficient functioning.

Optimisation : The Telecommunication Services

GENERAL INTRODUCTION

*Historical
Background*

31.1 Telecommunication (Telecom) services constitute a basic need for a modern developing society. With the bifurcation of the erstwhile Post and Telegraph Department in 1985, and the emergence of the Department of Telecommunication (DoT) therefrom, the telecom sector has witnessed rapid organisational and technological innovations and changes. At the time of bifurcation, the services were minimal, providing basic telephony, telegraph and telex services. In April, 1986, the Mahanagar Telephone Nigam Ltd. (MTNL) was carved out as a PSU, for development, operation and management of telecom services in Delhi and Mumbai. The Department was further restructured in 1989, with the constitution of the Telecom Commission.

*Size of the
Telecom services*

31.2 The personnel manning the Telecom services are organised into six functional areas, namely Telecom Engineering, Telecom Traffic, Building Works, Accounts and Finance, Telecom Factories and Wireless Planning and Co-ordination. In the first five areas the Telecom is distributed group-wise as follows:-

FUNCTIONS	GROUPS				TOTAL
	A	B	C	D	
Telecom Engg. and Traffic	3,667	14,500	2,58,870	88,077	3,65,114
Accounts & Finance	509	3,303	2,810	-	6,622
Building Works	463	795	2,656	-	3,914
Factories	74	105	1,004	5,254	6,437
Total	4,713	18,703	2,65,340	93,331	3,82,087

The Wireless Planning and Co-ordination wing employs 783 personnel. Besides, there are 71,000 casual labourers and 20,600 temporary status mazdoors in the Telecom services, giving a total strength of 4,74,470 personnel.

Services Provided by DoT 31.3 With an asset base valued at Rs 23,000 crores, Telecom services provide Telephone, Telex, Telegraph and franchised value-added services. These services cover all the 300 cities and 4689 towns in the country as per 1991 census. Cellular Mobile services, Radio Paging Services, Electronic Mail, Videotex, Video Conferencing, Voice Mail, Morning Alarm service and other value-added services are made available through a franchise system run by private operators. Smooth functioning of all radio communication services and usages in the country is ensured by the Wireless Planning & Co-ordination Wing as the national Radio Regulatory Authority. Two training centres (Ghaziabad and Jabalpur), 6 Telecom factories, Civil and Electrical Wings, a Quality Assurance Circle, Technical and Development Circle and an Accounts and Finance Organisation provide captive support to the telecom operative services.

The Telecom network 31.4 The Telecom Commission is the apex policy making body for the Telecom services. The services are organised into 19 territorial Telecom Circles, and 4 Metro Districts, each headed by a Chief General Manager, for installation and maintenance of assets other than the regional and inter-regional long distance network. Apart from the territorial circles, there are 4 separate functional circles, one each for installation and maintenance of long distance network organised on regional basis. Telephony is provided through 20,456 telephone exchanges, connecting 119.25 lakh Direct Exchange Lines (DELs). 991 Departmental Telegraph offices, 44,054 combined Post and Telegraph offices and 1032 Telecom Centres run the Telegraph services, handling over 605 lakhs inland telegrams annually. Telex services are provided through a network of 412 exchanges handling 47,161 working connections. Fully automatic international Telex services are available to all Telex subscribers through Gatex at Mumbai, Chennai and New Delhi for 238 countries. The MTNL provides basic telephone services in Delhi and Mumbai, as a public sector undertaking, though with its entire staff complement being part of the Department of Telecommunications.

EMERGING SCENARIO

Telecom Policy 31.5 Telecommunication has traditionally been visualised as a "natural monopoly" based on voice-related universal service. The Telecommunication sector, has witnessed in recent years rapid technological innovations, both qualitative and quantitative. The National Telecom Policy of 1994 envisages telephones on demand and universal availability of the services covering all villages as early as possible, enhancing quality of telecom services with the widest possible range to meet the customers' demand, protection of the defence and security interests of the country, and opening up services for private participation. The technology mission of the Commission aims at tapping the potential that this advancing technology holds for a paradigm change to leap-frog into the future - analog to digital, voice to data and basic telephony to value added services of world class quality.

*Impact of
Investment and
global needs*

31.6 In order to achieve standards comparable to international facilities, the sub-sector of value-added services was opened to private investment in July, 1992. Cellular phones, Radio paging, etc. are already engaging private operators. With a view to supplementing the efforts of the DoT in providing telecom services to the people, companies registered in India are allowed to participate in the expansion of basic telephone services. One private operator in each Circle has been licenced to participate in the provision of these basic services. In the developed world telecom has already been transformed into a delivery system for information, education, entertainment, intelligence and knowledge. India is not expected to lag behind and is poised to achieve all the applications of telecommunications in all facets of life. The future already foresees the emergence of digital and data services such as Multimedia, Video Conferencing, ISDN, Video and Audio Text services, etc.

NEED FOR RESTRUCTURING THE TELECOM SERVICES

*Advancing
technologies*

31.7 While new technologies have helped in providing highly reliable services, they pose a challenge to the human resources manning the telecom services. The technological changes have been rendering present skills and experience obsolete. The large human resources are to be continuously upgraded in skills to match advancing technologies. Telecom services are also expected to double their present capacity by the turn of the century, from 10 million to 20 million DELs. The DoT, as the basic provider of services, has a large number of cadres for technical and operative functions. The staff to telephone ratio is high in comparison with that in developed countries. Newer technologies require a qualitatively superior but smaller size of human resource, as maintenance requirements climb down, and employees' higher technical-operative skills become available. At present, the telecom services run with a ratio of 39.2 staff to every 1000 DELs, which is expected to come down to around 25 per 1000 DELs by the year 2000 AD. This still remains too high, compared to global technology standards.

*Athreya Committee
on Restructuring*

31.8 In 1990, the Athreya Committee was constituted to study restructuring, by corporatisation, of Telecom services as a whole. It suggested converting the existing organisational setup into multiple corporations, in a three-tier structure, separating Policy and Regulation from Operations. While these recommendations were being examined, the New Telecom Policy, 1994, was announced, and the Government took the stand that the recommendations of the Athreya Committee were no longer relevant. The constitution of an independent Telecom Regulatory Authority of India, however, is already under way with a Bill to that effect being brought up before Parliament.

*Steps taken by
Government*

31.9 Restructuring on account of technology- and market-driven changes has, however, become inevitable. Since 1990, the DoT has already initiated some steps at restructuring the operative cadres by combining certain categories as follows:-

EXISTING CADRES	RESTRUCTURED CADRES
Linemen, Wiremen, Cable Splicers and regular Mazdoors	Phone Mechanic
Technicians and other Group C personnel (possessing diploma in Engineering)	Telecom Technical Assistants
Telephone Operators, Telecom Clerks, Telegraphists, Telegraph Assistants	Senior Telecom Operating Assistants

The restructuring has, however, not achieved the expected results, as the pay-scales offered in the restructured cadres are not perceived as attractive enough to motivate the existing staff to switch over. The DoT has already decided to merge the Telegraph and Telecom Engineering personnel into a single cadre.

Demands in Memoranda

31.10 Dissatisfaction with pay-scales and conditions of service in the changing environment in the Telecom sector has been brought out in memoranda, both official and those submitted by the federations. The emergence of the private sector as a competitive bidder in the employment market in this sector, and the redundancy of existing technologies and operatives have resulted in demands for comparable pay-scales, the need for quick training, and the necessity to make the restructured cadres more attractive for a rapid switchover. Employees in the MTNL have been given the status of deemed deputation, and they have demanded complete parity in pay and service conditions with the public sector. The personnel in the Telecom Engineering Centre, Telecom Factories and the Wireless Planning and Co-ordination Wing have also demanded merger with the parent body and cadres. A lot of dissatisfaction has been expressed in Memoranda regarding stagnation at the middle level, i.e. the engineering services below Group A. The Telegraph and Telex traffic is coming down. The personnel at the middle level in these services have also represented with reference to their future prospects.

CONSULTANCY STUDY ON RESTRUCTURING TELECOM SERVICES

Terms of reference

31.11 With the above considerations in mind and the demands made in Memoranda, we engaged the National Productivity Council (NPC) to carry out a study on the possibility of exploring new initiatives to meet the requirements of the Telecom services in the fast changing information environment. The NPC was required to study the present role of telecommunication services in the Central Government and the systemic deficiencies with the objective of evolving an ideal system for optimum utilisation of telecom manpower, and resolving the duality of DoT and MTNL along with ways for removing the uncertainties in the service conditions of employees of the latter. The NPC was asked to suggest changes in the organisational structure of DoT, including norms for technical staff in keeping with its actual role in a modern exchange, and improvements in the service conditions and prospects of telecom personnel so as to ensure that professionals possessing sophisticated education and skills, who are critical to the department's

requirements, are retained and do not migrate to other sectors, as also to identify those where such criticality does not exist and flab can be reduced

*Summary of
recommendations
of the study*

31.12 The study identified four critical and interrelated factors affecting the telecommunication service industry - technological change, change in market demands, deregulation and globalisation. It has also observed that Government will have an enhanced role in long-term planning and regulation of telecommunications but a declining role in direct provision of telecom services. It has pointed out a mismatch between the speed of technological and market change on the one hand and the decision making process on the other. The existence of too many layers for arriving at decisions, the study feels, is time-consuming and unsuited for a competitive environment. Suggestions have been made by the study in the overall context of granting autonomy and commercialising the telecom services at the present juncture. The specific findings of the study have been kept in mind while making our recommendations.

RECOMMENDATIONS FOR STRATEGIC CHANGE

*Areas of
restructuring*

31.13 A number of issues have emerged in the matter of restructuring throughout the organisation, from the level of the Telecom Commission, down to the lowest levels in the hierarchy. We have gone into the role of the Telecom Commission, its composition and functioning, and restructuring of the operative cadres in view of the parallel existence of restructured and pre-restructured cadres (PRCs). Duality of the MTNL human resources, norms for staffing and retention of "critical" personnel through special dispensation, have also been considered in view of the commercial potential, rapidly advancing technologies (RATs), scope for privatisation of the Telecom services and the possibilities of merger of hitherto separate cadres and units.

*Inadequacies of
the present
schemes*

31.14 With the induction of new digital technologies, the restructuring of DoT began in 1990, organising its operative employees into the streams indicated in para 31.10, as shown in Annexe 31.1. Inadequacies have been observed in restructuring, as the PRCs were perceived as more attractive compared to the restructured cadres. Vacancies are created in the new grades according to technological upgradation. 75% of the exchanges have been upgraded so far to absorb the restructured cadres. A large number of employees have already been absorbed in the switchover and a large number continue to wait with only 26,300 of the 80,000 qualified personnel at Group D level having been trained for absorption. Over 2 lakh employees are still in the pre-restructured cadres. The Department has suggested that the restructuring has to be more attractive than the PRCs, in order to induce switchover, particularly of the senior experienced personnel. It has also suggested that the Group D grades should be abolished by merger with Group C with some special dispensation for them in the form of time-bound promotions, as the number of scales available to this group and the rates of increment are negligible, and there are inadequate growth opportunities. Also, when the scale of pay crosses Rs. 1200 they are treated as Group C and there is a reduction in their retirement age. The consultancy study has pointed out that the present job profile in the DoT is too narrowly defined, and needs to be enlarged with the advancing technologies, so that the number of categories is reduced

We agree that the Department requires substantial flexibility for quick adaptation of the rapidly advancing technologies. The switchover of the existing personnel must be as smooth as possible. In its restructuring scheme of 1990, the DoT has opened channels for all Group D employees including temporary and regular "non-matric" Mazdoors to become Phone Mechanics in Group C, not leaving room for any support staff at the Group D level. We do not agree to the abolition of Group D, as there will always be a requirement of personnel at that level. The gap between the employees of the two Groups should reduce over a period of time. The proposals on assured career progression will achieve the objectives suggested by the Department. There should be two separate levels - Group D as one and technical and operative as the other. **Group D staff may all be redesignated as Telecom Attendants** after being provided appropriate training in multiple skills. The next higher grade is the Phone Mechanic, with the basic entry scale of Rs.975-1540. **We recommend that Phone Mechanics be redesignated as Telecom Mechanics.** Such of those who are Matriculates and qualify a screening test should be permitted to switch over to the restructured cadres. The switchover should be a one-time irreversible opportunity. Technicians and other Group C staff possessing a 3-year diploma in Engineering have been permitted to "walk-in" to the cadre of Telecom Technical Assistants (TTAs), Telecom Operating Assistants, Telephone Operators, Telegraphists and Telegraph Assistants have been restructured into the cadre of Senior Telecom Operating Assistants (Sr.TOAs). Our recommendations for the pay-scales of restructured cadres are given in the relevant Chapter. These will apply only to the restructured cadres. **The PRCs will remain in their present shape with the replacement scales recommended in the relevant Chapter. The scheme of ACP will not apply to them. A time limit of 3 months should be given to them from the date of implementation of our recommendations to decide whether they will switchover. The option once decided will not be reversible.**

Stagnation in cadres of Junior Telecom Officers (JTOs)(Rs.1640-2900) and Telecom Engineering Service Group B (TES)(Rs.2000-3500) have been voiced as a major demand in the memoranda. Junior Telecom Officers are the first rung for entry into the executive level of Telecom management. TES is the next promotion level for the JTOs, who have also demanded upgradation at entry on the ground that a majority of them are engineering graduates recruited directly, and form promotional grades for diploma engineers. Both categories have a lateral advancement to the next higher scale on completion of 12 years' service. The administrative Ministry has also pointed out the problem of not being able to fill the Senior Time Scale (STS) vacancies on regular basis strictly in accordance with recruitment rules. It has suggested placing 80% of the Group B posts in the JTS, exclusively for promotion, and upgrading TES to the level of Rs.2375-3500. It is also considering upgrading JTOs to the extent of 80% after 3 years' service on account of acute stagnation. An exercise of merger of Telecom Engineering and Traffic is already at an advanced stage of finalisation, which will result in a larger number of posts in a single cadre. The consultancy study has marked this level as critical with substantial possibility of exodus, alongwith the need to upgrade qualifications so as to meet the requirements of advancing technologies; besides upgrading their pay-scales and providing adequate promotion prospects. While agreeing with the findings of the consultancy study as also the concern of the DoT with the problems of stagnation and advancing technologies, we also observe that under the Time-bound promotion

schemes (not available to JTOs) the operative staff have avenues of promotion to the level of Rs 2000-3200, beyond the entry level for JTOs, thus dislocating the command structure by placing supervising officers in pay-scales lower than the supervised. We also do not agree with the suggestions made by the Department as their implementation would only disturb the ratio of direct recruitment at the Group A level. **We accordingly recommend that Junior Telecom Officers may be upgraded to the scale of Rs.2000-3500 and filled by the existing methods of recruitment, raising the minimum required qualification for direct recruitment to a degree in Engineering**

Merger of various technical and quality assurance units

31.17 The Telecom Engineering Centre is a constituent unit of the DoT, functioning as the nodal agency for drawing specifications for new products, equipments and systems and also for testing and issuing approvals for instruments and equipments to be connected to the Telecom network. The Quality Assurance Circle, formed in 1979 as a part of Technical and Development Circle, and separated in 1986, is entrusted with the responsibility of assuring quality on a wide range of products and equipments inducted into the Telecom network. National Centre for Electronic Switching is a second level maintenance organisation for electronic switching systems and functions as a repair centre for electronic switching hardware and software, for maintaining, updating and modifying, wherever necessary, hardware and software requirements of switching systems in electronic exchanges. The services in these three units are manned by staff and cadres separate from the mainstream Telecom services. Besides, there is also a separate Technical Development Circle, headed by a General Manager (Rs.5900-6700) responsible for acceptance testing of new equipment for installation before these are commissioned in the Telecom network. It also issues engineering, installation and operating instructions for the guidance of operative staff. The staff and officers of these units have demanded merger with the mainstream Telecom Engineering staff and services. Secretary (Telecom) had informed us that each of these Units has been assigned very specific tasks which must remain independent of the operative network. In view of the position explained to us we do not recommend merger.

31.18 The Department is presently operating at a line-staff ratio of 39.2 persons for every 1000 DELs and proposes to reduce the ratio to 25 per 1000 DELs by the turn of the century. The ratio is to reduce only by increase in DELs from the existing 11.92 millions to 20 million, without providing for reduction in requirement on account of upgraded technology. The Consultancy study has suggested that the basis of norms should be both the capacity of the exchange and the type of technology. 75% exchanges are electronic and the rest non-electronic. The study has suggested specific norms indicating combination of jobs, as also the scope for further reduction of the staff-line ratio based on technology. As staffing ratios only by DELs indicate only the capacity of the exchange and not results of advancing technologies, the Department should take into consideration norms suggested by the consultancy study based on advancing technologies in arriving at future projections so that manpower can be optimised. There should be a total freeze on manpower in the meanwhile. In fact, there should be a progressive reduction of numbers as posts are vacated, to accord with the optimum requirements based on the revised norms.

31.19 The Mahanagar Telephone Nigam Limited (MTNL) is a public sector unit of the DoT formed on 1.4.86 to take over operations, maintenance and

development of telecom services in Delhi and Mumbai. All the manpower, however, is drawn from the DoT on "deemed deputation" terms. These personnel totalling 59,655 are spread at all levels - 21776 in Group D, 35475 in Group C, 1795 in Group B and 605 in Group A - and have demanded the pay and perks applicable to other public sector undertakings. While the arguments for and against divesting MTNL from the DoT are both strong, the difficulties in buying back the investments in MTNL are substantial, with requirements of upgrading technologies, increasing DELs, training, etc.. **The long-term aim should be to corporatise the entire DoT setup. As a first step, the MTNL should be converted into a full corporation which should be extended to other Metros.**

31.20 The DoT has also suggested mobility of its employees to help the private sector through availability of trained manpower. It suggests the mechanism of deputation on foreign service terms, with the option to the employees to return to the Department to enrich it with their experiences. Through this measure, the Department seeks to reduce stagnation also. We are unable to accept the suggestion on two counts. First, the Department itself has voiced its concerns about the possibility of exodus, particularly of critical personnel, and second, openings in the private sector might lead to mass scale resignations, or post-retirement employment.

31.21 The Secretary (Telecom) is the Chairman of Telecom Commission in the pay of Rs.8000 (fixed). The Commission has four full-time Members also in the pay of Rs.8000 (fixed), one each for Finance, Production, Technology and Services, and other part-time Members drawn from various fields. It is responsible for formulating Telecom Policy, its implementation and preparation of budget. All the five posts in the pay of Rs.8000 (fixed) are ex-cadre posts, being part of Central Staffing Scheme. The Indian Telecom Service (ITS) has demanded encadring of all the posts in the service since it is the mainstream service recruited through the UPSC, specialising in the field of Telecommunications. The administrative Ministry has observed that according to the resolution constituting the Commission, the Chairman and full-time Members shall be drawn from the best persons available, including those from within the Department. The ITS Group A is recruited through the combined Engineering Services Examination drawing officers from the best engineering institutions, and they are involved in installation, operation, maintenance, planning, development and decision making at various levels. During oral hearing, Secretary (Telecom) felt that encadring the posts may dilute the quality of membership of the Commission, though since its inception in 1989, ITS officers had been posted to the Commission as Members, and the system was functioning very well. Apex managing Boards like the Railway Board, Central Board of Excise and Customs, Central Board of Direct Taxes, Postal Services Board, etc. are either being run by cadre officers or we are suggesting encadrement of the topmost posts, where necessary. The Telecom Commission has 4 part-time members in policy formulation and implementation function, drawn from various fields for a broad vision. The Telecom service itself has a lesser representation at the Member level. There is no post of Member for the Civil and Electrical works. We recommend the encadring of three full-time Members in the ITS Group A. One post of Member (Works) may be created for heading the Building Works wing. Member (Finance) may be encadred in the P&T Accounts and Finance Service Group A after eligible officers become available at that level.

As regards the Chairman and other part-time Members, the existing arrangements may continue

*Commercial
potential and
scope for
privatisation*

31.22 As per the National Telecom Policy, 1994, the Telecom Sector has been thrown open to private participation. Though the DoT has entered the area of value-added services, these are mostly on private franchise. Research into switching and production is already substantially with the autonomous bodies, public sector units or private sector. Telecom factories are, however, still in the Departmental mould, and are not yet geared to undertake production of equipment and instruments based on modern technology. There are 6 Factories with assets worth Rs.63 crores and annual turnover worth Rs.155 crores engaging 6,437 staff. The Sinha Committee (1992), suggested a 3-tier structure, with a Factory Board at the apex, the Factories organisation as a Departmental entity and an adjunct in the form of a Technical Product Development Group. The Consultancy study has pointed out problems of competition with PSUs like ITI, HTL, etc., and the private sector, obsolescence of technology, excess manpower, lack of demand, etc., which are plaguing the Telecom Factories. The Department has, however, advised that it is able to obtain competitive price advantage, and possibility of supplying to private operators by retaining the Factories as Departmental units. Both the study and the Department feel that the Sinha Committee recommendations have been adequate. We feel that with a strong infrastructure of production outside the Department, there are strong grounds for giving greater autonomy to Telecom factories, so as to enable them to upgrade obsolete technologies, methods and products. We accordingly recommend that they should not be expanded. Till they are retained in Government, they should be corporatised. As competition increases, they should gradually be privatised or wound up.

Conclusion

31.23 With the above recommendations, it is expected that a new structure of Telecom services will emerge which will not only be trimmer, more effective and efficient, but will also squarely meet the requirements thrown up by the changing environment in terms of technologies and economic forces. The various steps should lead to a gradual downsizing of the total manpower by 30% over the next 10 years. The impact of the new Telecom Policy, 1994, and entry of private service providers is not expected to be felt at least for another decade, leaving the DoT to take full advantage of the changes we have suggested above to take up leadership of the Telecommunication set-up in the country.

Optimization : The Central Police Organisations

INTRODUCTION

Introduction

32.1 The Central Govt. has been raising Central police forces from time to time for handling specific problems. While most of the forces have been raised under MHA, other Ministries like Railways and Defence have also raised their own police and para-military forces. Of the forces under MHA, CRPF was raised primarily for dealing with law and order situations, BSF and ITBP for guarding the international borders, CISF for providing security to Central government industrial installations and NSG for combating terrorism. The Railway Protection Force under the Ministry of Railways was created primarily for protecting railway property. More recently, the Ministry of Defence have raised the Rashtriya Rifles for combating insurgency, though the primary responsibility for internal security rests with the Ministry of Home Affairs. In fact, all the forces under MHA are being extensively used for internal security and counter-insurgency duties, irrespective of their primary roles. They are also being used on a large scale during elections and for performing other tasks. For example, ITBP personnel have also been used for guarding banks and static duties, and NSG for providing VIP security. Such diversion of forces from their primary roles has led to a somewhat haphazard growth of the forces, which has also adversely affected the morale of the personnel.

GROWTH OF MANPOWER AND EXPENDITURE

Growth of Manpower

32.2 The tables below give an idea of the extent of growth of manpower in various Central Police Organisations :-

Year	NSG	ITBP	CRPF	BSF	AR	CISF	Total strength
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Year	NSG	ITBP	CRPF	BSF	AR	CISF	Total strength
1989	7,482	25,482	1,21,206	1,49,568	52,460	71,818	4,28,016
1990	7,482	29,488	1,31,260	1,71,168	52,460	74,334	4,66,192
1991	7,482	29,504	1,59,091	1,71,363	52,460	79,620	4,99,520
1992	7,485	29,504	1,58,907	1,71,501	52,482	84,611	5,04,490
1993	7,485	29,504	1,58,693	1,71,735	52,504	87,337	5,07,258
1994	7,512	30,291	1,65,334	1,71,735	52,504	88,603	5,15,979

(Source - Ministry of Home Affairs, Annual Report 1994-95)

Growth in 32.3 The table below indicates how the expenditure on CPOs has risen during the period 1986-87 - 1994-95:-

Year	BSF	CRPF	CISF	ITBP	AR	NSG	Total (Rs. lakhs)
86-87	31,192.00	22,549.34	8,025.00	4,011.00	10,790.00	2,572.00	79,139.34
87-88	36,131.00	26,089.40	9,887.00	6,580.00	12,951.00	2,130.00	93,768.40
88-89	43,214.00	30,888.00	11,955.00	7,690.00	13,959.00	2,615.00	1,10,321.00
89-90	51,366.00	42,259.21	14,200.00	9,166.00	16,501.00	3,719.00	1,37,211.21
90-91	66,110.00	43,398.65	17,196.00	10,157.00	17,911.00	5,274.00	1,60,046.65
91-92	72,198.00	58,547.00	20,684.00	12,707.00	20,829.00	4,558.00	1,89,523.00
92-93	80,832.00	64,964.00	25,232.00	16,020.00	24,618.00	5,682.00	2,17,348.00
93-94	94,809.92	75,373.00	30,057.15	18,242.12	28,871.46	5,258.40	2,52,612.08
94-95	97,730.00	85,550.00	36,441.00	19,284.00	31,791.00	5,258.00	2,76,054.00

(Source - Ministry of Home Affairs, Annual Report 1994-95)

32.4 Perusal of the above tables shows that there has been considerable increase in manpower and expenditure in the Central Police Organisations during the period 1986-1994. The annual compound growth rate of manpower works out to 5.6%, which is extremely high when compared with the corresponding figures of 1% for civilian govt employees and 1.4% for the Armed Forces personnel. Similarly, annual growth rate in expenditure for this period which works out to 18.03% is much higher, compared with the corresponding figures of 13.4% for civilian govt employees and 12.95% for Armed Forces personnel.

CONSULTANCY

Consultancy study

32.5 While we appreciate the difficulties encountered by the personnel of the Central Police Organisations in dealing with various complex situations, we have noted with serious concern the extremely high rate of growth of manpower in CPOs. With a view to finding out more economical ways of utilising the manpower in CPOs and to ensuring that funds provided by the public exchequer are optimally utilised, we awarded a consultancy study to the Centre for Policy Research with the following broad terms of reference:

- (i) To examine the primary and secondary roles of the Central Police Organisations and redefine missions with a view to rationalising the existing structure of the Central Police Organisations
- (ii) To explore the feasibility of privatisation of security requirements in respect of Central establishments, banks etc
- (iii) To identify measures for strengthening and modernising the State Police Forces so as to enable them to effectively perform the law and order and internal security functions, which primarily fall within their purview.
- (iv) To recommend different models aimed at reducing the number of Central Police Organisations and avoiding multiplicity and duplication of functions, including the possibility of bringing them under one umbrella

*View of
Administrative
Ministry, state
Governments*

32.6 We also held discussions with Home Secretary, other senior officials of the Ministry of Home Affairs, and Directors General of various Central Police Forces. This matter was also taken up with some of the Chief Ministers, Chief Secretaries and DGsP of the States visited by us. In reply to the questionnaire circulated by us, we received views of Directors General (Police) and Chief Secretaries of some of the other States as well as prominent retired police officers. We have considered all the views and suggestions received by us as well as the recommendations made by the Centre for Policy Research and our recommendations in the matter are discussed in the succeeding paragraphs

OUR RECOMMENDATIONS

*Strengthening of
State Police
Force*

32.7 One of the reasons for the deployment of Central Police Forces for internal security purposes is the inadequacy of State police forces to deal with the emerging situations. We feel that State Police forces should be strengthened and made capable of meeting most of the internal security threats. Currently the police departments are grossly neglected owing to the expenditure on them being categorised as non-plan. As a result, funds are not sufficiently available for modernisation of the State police forces and upgrading the skills of their personnel. In order to reduce the use of the Central Forces, it is of paramount importance to strengthen the State Police forces. Our suggestions in this regard are as under :-

- (a) There is a need to state emphatically that meeting the routine threats to internal security is primarily the task of State Govts. The Centre's role should be confined to providing CRPF Battalions as reserve to meet the occasional contingencies such as major breakdowns in law and order or large scale disturbances.
- (b) We recommend that the State police departments should have plan schemes in order to strengthen and modernise them. The States should also be financed to progressively increase their Armed Police strength through raising of India Reserve Bns,

which should be centrally sponsored on matching basis and Central funds earmarked to upgrade State police forces.

- (c) Two ambitious schemes - Police Housing and Modernisation of police which were launched at one stage as Plan schemes achieved a lot in terms of strengthening the basic infrastructure and equipment of the State police forces, but were scrapped half-way. Both need to be revived.
- (d) We also feel that the existing regional training centres under the Central Govt should be strengthened to impart specialised training to State Police forces so that the skills of the police personnel are upgraded to enable them to tackle various situations, thereby reducing the need for deployment of Central police forces in aid to civil authorities.
- (e) Besides allowing the State Forces access to these specialised training facilities, it is necessary to provide an exclusive annual forum to discuss and exchange views on all matters concerning these activities. Such a measure will facilitate uniform professional standards, training, equipment etc.
- (f) We also recommend raising of a Special Task force in each state on the lines of the Rapid Action Force in the CRPF for conducting specialised operations

*Regrouping of
Forces and their
Roles*

32.8 There has been considerable deviation from the roles assigned to the Central Police forces. No clear cut definition of roles is being followed. To effect rationalisation and to ensure that CPO manpower is properly utilised, it has become necessary to redefine the roles of the CPOs and to regroup the forces according to their assigned roles.

32.9 We are of the considered view that Central Police Forces should be regrouped as Border Security Forces and Internal Security Forces. Based on the above approach we recommend that:-

- (a) CRPF should be the single force to assist the State administration in dealing with major law and order situations. We do not find any justification for a separate force for anti-insurgency. The anti-insurgency duties should form part of the role assigned to the CRPF. The requirement of Central forces for election duties should be assessed on a realistic basis as the existing level of deployment is very high. CRPF should be the only Central Force for deployment on election duties. Moreover with strengthening of State police forces and raising of India Reserve Battalions, the numerical strength of CRPF should also be reduced to that extent. The Rapid Action Force (RAF) raised within the CRPF should more appropriately be called as Special Task Force and continue to be deployed in communally sensitive areas.

- (b) Since the Army has no exclusive responsibility in the matter of internal security, which is primarily the concern of MHA, there is a case for re-examination of the roles of Rashtriya Rifles and Assam Rifles. We recommend that Rashtriya Rifles, which was raised without any plausible justification for a period of 3 years only should be disbanded forthwith. This will make available 36 Bns to the Army which besides tiding over the shortage of officers and men in the Army to some extent, will result in substantial savings both in terms of manpower and expenditure.
- (c) Due to changed scenario on account of better communication facilities and other administrative improvements, there is no reason for the Assam Rifles to remain confined to North Eastern States and that too under operational control of Army. As such, we recommend that Assam Rifles be delinked from the Army. It may be withdrawn from the Border security duties in North East and merged with CRPF for Internal security duties and brought under the control of the MHA. By doing so, the force will integrate with the mainstream and would move out on transfer to other states as well. This will also result in reduction of the various Head quarters elements of Assam Rifles including training establishments. Almost 80% of the officers now on deputation from Army will thus revert to their parent organisation and help in making up the existing shortages in the Army.
- (d) With regard to Border Security, we suggest that while security of Sino-Indian, Indo-Bhutan, Indo-Nepal and Indo-Burmese borders (Northern Border) could be entrusted to ITBP, BSF should be made responsible to look after Indo-Pak and Indo-Bangladesh Borders (Western and Eastern Borders). Moreover, these two forces should be withdrawn from Internal Security duties.
- (e) Regarding NSG, there is a strong case for withdrawing it from VIP security duties and putting a ceiling on the organisation. We recommend that NSG should not comprise more than 1000 personnel including civilians. The staff in excess of the ceiling should be sent back to their parent organisations. NSG should not be deployed on VIP security duties and should confine to its primary role of combating terrorism. The small size of the NSG is necessary to maintain its elitist character. This measure will result in cutting down of manpower to the extent of approximately 6000 men with consequent reduction in expenditure on maintenance of this force.

*Privatisation of
some security
arrangements*

32.10 At present Central Industrial Security Force (CISF), Indo-Tibetan Border Police (ITBP) and other organisations like the Railway Protection Force (RPF) are looking after the security arrangements of Central establishments including banks. While CISF is looking after the security functions of Industrial undertakings owned by Central Govt, ITBP is looking after the security of banks in Punjab. Similarly RPF has been looking after the duties relating to protection

of Railway property and booked consignments. With a view to streamlining the arrangements, we recommend that

- (a) **CISF should only guard the installations which have a bearing on national security instead of guarding all kinds of industries.** The responsibility of providing security to other undertakings should be entrusted to private security agencies or to State Govts. concerned or, alternatively the industrial establishments should develop their own in-house security organisations for this purpose. Saving on this account could be approximately 30%. This, coupled with general cut on manpower, will result in substantial saving both in terms of manpower as well as expenditure.
- (b) **Likewise, bank duties in Punjab should be taken away from ITBP.** The manpower saved as a result thereof could better be utilised for deployment on borders to offset the shortfall of personnel for border duties..
- (c) In case of RPF we find that the duties connected with booked consignments involve constant interaction with the commercial staff and knowledge of their functioning, which we feel should continue to be done by RPF instead of contracting out to private agencies.

Role of MHA

32 11 The Ministry of Home Affairs is the nodal ministry responsible for internal security. Therefore, every force deployed on internal security duty should be fully accountable and answerable to the MHA so that MHA could control the actual deployment and operations of the forces. It has also been brought to our notice by heads of CPOs that once their troops are placed at the disposal of State Govt, the duration of deployment and movement is stretched beyond reasonable limits. Even the MHA is not in a position to monitor such movements/deployments etc. At times the units are despatched to the States without giving them adequate time for preparation. We recommend that ;

- (a) **A suitable mechanism be evolved within the MHA to control and monitor actual deployment (including duration) and operations of the forces.** In this regard, there is need for setting up a control room in the MHA which should be manned round the clock by officers and men drawn from the existing strength of CPOs. This control room should be exclusively used for monitoring the police operations, deployment and movement of various units of CPOs and should be placed under an officer of the rank of Joint Secretary to be designated as JS (Police Operations).
- (b) **The MHA should ensure that a reasonable time is made available for equipping the personnel before their movement to different climatic regions.** MHA should also make arrangements with the Ministry of Railways for providing rolling stocks on top priority to the CPOs to facilitate their speedy movement. However, our proposal for re-grouping of forces will result in substantial reduction in the movement of troops.

- (c) A 'National Framework' should be worked out clearly identifying the force requirements of each State on the basis of projections about anticipated law and order and internal security problems in the coming 5-10 years.
- (d) There should be three coordinating fora within the Ministry of Home Affairs namely,
 - (i) Establishment Board dealing with matters relating to Human Resource Development, recruitment, promotion, training etc.
 - (ii) Strategic management group to formulate broad policy guidelines and
 - (iii) Crisis Management group to deal with situations which need constant monitoring. All these three fora should be headed by either the Home Secretary or the Special Secretary (Home) dealing with internal security. The Director, Intelligence Bureau and Heads of some larger CPOs should be members of these fora. These three fora should ensure that optimum use of the forces is made without much movement and administrative problems

Conclusion

32.12 The main objective of restructuring and rationalisation of the Central Police Organisations was to delineate a national framework for internal security management and carve out roles for the Union and States. Another aspect of overriding importance was that the country has repeatedly requisitioned the services of the Army to handle law and order and internal security situations, which is not warranted barring exceptional situations. It may be appreciated that it is many times more costly to deploy the Army compared to the State Police or any of the CPOs. Any measures for restructuring and rationalisation of the CPOs cannot but take serious note of this imperative and deliberate on a National frame work which should make dependence on the Army to meet internal security situations an exception rather than the rule. On the other hand, unlimited and unplanned expansion of various forces is also a malady and there are dangers inherent in their expansion beyond a point, such as problems of command and control, difficulty in catering to training arrangements, weapons, equipment and other essential administrative and logistic support. Further, large-sized forces tend to have many problems of uneconomic utilisation of manpower due to unaccounted, unauthorised and wasteful diversions. There has to be a balance between size and efficient management.

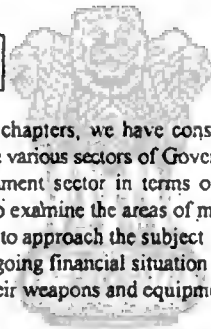
Pruning of numbers

32.13 The above requirements have been kept in view by us while making our recommendations on restructuring and rationalisation of forces in this Chapter. It is expected that the various proposals made by us will lead to an overall pruning of the numbers of Central Police personnel by 1/3rd within a period of ten years. Meanwhile, no additional staff should be sanctioned for any of the Central forces and action may be initiated on the lines suggested by us. There would be no need for retrenchment of any person. The entire reduction can be achieved by normal attrition.

Optimization : Defence Services and Ordnance Factories

Armed Forces

INTRODUCTION



General

33.1 In the earlier chapters, we have considered the scope for optimization of civilian manpower in the various sectors of Government. As the defence forces are the second largest Government sector in terms of numbers employed and resources allocated, we decided to examine the areas of manpower optimization in the Defence Forces also. We intend to approach the subject in the overall context of the emerging security scenario, the ongoing financial situation and the internal needs of the Defence Forces to modernise their weapons and equipment and to keep their men fighting fit.

Growth of the Services

33.2 The table below gives the manpower figures for various years for the three Services. An examination of the manpower figures of the three services, the Army, Navy and Air Force indicates that their manpower has grown at an annual compound growth rate of 1.4%, during the period 1981 to 1991 which is somewhat higher than the rate of growth of 1.2% for civilians during the same period.

Army		Navy		Air Force	
Year	Strength	Year	Strength	Year	Strength
1966	8,24,000	1961	16,821	1961	37,558
1971	8,30,000	1971	30,100	1971	97,949
1981	8,80,930	1981	36,169	1981	1,10,833
1991	9,98,045	1991	51,042	1991	1,29,057
1995	9,98,046	1995	52,453	1995	1,30,441

Trend of Defence Expenditure

33.3 The year-wise Defence expenditure for the period 1985-86 to 1993-94 was as under

Year	Defence Expenditure (in Crores of Rs)	Defence Expenditure as Percentage of GDP
1985-86	7,989	3.05
1986-87	10,477	3.58
1987-88	11,967	3.59
1988-89	13,341	3.37
1989-90	14,416	3.16
1990-91	15,426	2.90
1991-92	16,347	2.66
1992-93	17,582	2.49
1993-94	21,845	2.78

The data indicates that although the Defence Expenditure has been increasing in absolute terms; it has remained within 2-3% of GDP.

We have been informed that manpower and related costs alone account for about 65% of the Defence Budget leaving limited resources for modernization and acquisition initiatives.

NEED FOR RESTRUCTURING

Internal Needs

33.4 Feeling concerned at the large deployment of manpower in the Armed Forces and the extremely high cost of maintaining this manpower, we studied the operating scenario to see how best the situation could be managed. Our inquiries revealed that with the disintegration of the USSR, which had been for the past two decades a reliable and cheap source of military hardware, procurement of military hardware for our Defence Forces has become a more costly proposition. Clearly, we cannot maintain a credible defence posture, if our defence capability is to remain in the current structural form and the defence expenditure as a percentage of GDP is to remain at the current level of 2.78%. Our defence preparedness, to be both credible and affordable, will have to be predicated upon some re-structuring involving a shift of focus from a manpower - intensive force to an equipment-oriented force.

External Threat Scenario

33.5 The aforesaid re-structuring option could as well be the most appropriate response in the context of the emerging threat scenario. While there does not seem to be any threat of war from our immediate neighbours, their military modernization plans and acquisition of nuclear weapon capability are dimensions which have to be taken into account. Though the general international climate has greatly eased after the end of the cold war, it still poses challenges to our security and sovereignty in terms of non-military threats and pressures because of our forthright stand on issues such as nuclear non-proliferation, Comprehensive Test Ban Treaty (CTBT), Missile Technology Control Regime, etc. In such a scenario of threats and challenges, a demonstratively higher offensive capability for our Defence Forces rather than their ability to be engaged in a long drawn-out war, would have the right deterrent effect vis-a-vis any military misadventure or bullying design against us. This proposition is especially relevant in the context of nuclear equation in our immediate neighbourhood. Though our nuclear policy has been to use our nuclear capability for peaceful purposes without forsaking our nuclear option, we cannot overlook the nuclear dimension in our future conflicts and its implication for our conventional defence preparedness.

33.6 In the light of our analysis of the situation and with a view to finding feasible options, we commissioned the Institute of Defence Studies and Analyses (IDSA) to undertake a detailed study with regard to "Manpower optimisation in the Defence Forces". The IDSA in their Report have brought out that if the present approach of maintaining defence capability at 3% of GDP is continued, we would be severely under-prepared for any future eventualities. The option, according to the IDSA, would be between achieving mutual arms control specially with respect to our neighbouring countries leading to some reduction in manpower or by engaging in "Autonomous Restructuring" leading to reduced manpower but increased mobility-fire power. The IDSA have suggested that the said "Autonomous Restructuring" may be carried out on the following lines:

- Doctrinally, shift from strategic defence to strategic offensive paradigm to prevent war.
- Reduce active manpower in the Army by 35-45% and retain 30-45% of present manpower on standing reserve and reduce manpower in the Navy and Air Force in the supporting components.
- Increase the armoured and mechanised forces.
- Higher offensive capability for Air Force and augmented Naval presence.
- Substantive increase in Defence R&D.
- Intermediate range ballistic and shorter range cruise missile capability on high priority.

The IDSA have envisaged that with this force restructuring, the Defence Forces will retain the capability to provide disaster relief, but will have reduced potential to undertake internal security duties.

Suggestions Made
by IDSA

33.7 In line with the proposed Force Restructuring, the IDSA have suggested certain alternate manpower management models, which singly or collectively with a provision for higher active reserve, could provide the base for greater optimization of manpower. They include "Voluntary National Service" (VNS), "Compulsory National Service" and "Reduced Colour Service with Lateral Induction within Defence Forces and Outside It". The concept of VNS, which was formulated by Defence Planning Staff of the Chiefs of Staff Committee, envisages retention of 30% personnel on regular service and induction of 70% personnel under VNS doing 5 to 7 years' service and then being resettled exclusively in the civil sector. Under the scheme of Compulsory National Service, aspirants to the Central and State Government Services (particularly Police Forces) and college students who obtain highly subsidized education (doctors, engineers and the like) should do a mandatory period of five years' service with the Defence Forces which should consist of such entrants to the extent of two-third of their strength, the balance one-third being recruited by direct entry who would provide the permanent cadre of the Defence Forces. The third option visualises reduction in colour service and lateral transfer of personnel to support functions within the Defence Forces and outside in the civil sector.

33.8 The IDSA have suggested that as a part of the general optimization exercise, the Service Headquarters should be integrated with the Ministry of Defence, which will result in some savings in terms of manpower and efforts. We have also

received similar suggestions from the Armed Forces

Other Inputs

33.9 We have, while formulating our proposals on the subject, taken into account the suggestions made by the IDSA. We also held discussions on these and other Defence matters with the Service Chiefs, retired chiefs and senior officers of the Ministry of Defence. The views expressed during these discussions as well as the views expressed in the Armed Forces memorandum have been quite useful in helping us to firm up our approach. We have also considered the views expressed by the Estimates Committee (1992-93) of the Tenth Lok Sabha and Tenth Finance Commission regarding the need for optimization of manpower in the Armed Forces and keeping the Forces young.

OUR RECOMMENDATIONS

*A Blue-print for
Force
Restructuring*

33.10 Since manpower requirements in our Defence Forces are determined by the force structures to be maintained, any manpower optimization exercise to be well-grounded must flow from force restructuring in our Defence Forces. In this regard we find the IDSA formulation on "Autonomous Restructuring" as a sound framework towards manpower optimization without compromising on defence preparedness. Drawing on this IDSA prescription, we would like to present a blue-print for restructuring our defence capability. The re-structuring that we are talking about could mean a small sized Army reinforced in terms of enhanced mechanised strike capability and complemented by a more offensive-oriented Air Force and augmented Naval presence. This would require a positive approach leading to a drastic cut-back on manpower not only in the Army but also in the support components of the Navy and Air Force, so that we have enough resources to go in for modernization and mechanisation of our Forces. Acquisition of indigenous missile capability and sustained development of Defence R & D to attain self-reliance in meeting our defence needs must necessarily be the high points of our agenda for modernisation.

*Framework for a
Leaner and
Younger
Manpower Profile*

33.11 Any exercise for manpower optimization in the Armed Forces has to address to the need of keeping the Armed Forces, especially its combat components, young. In this regard, we have considered the three alternate manpower management models with a provision for higher active reserve, as suggested by the IDSA. Though the IDSA suggestions offer a framework for restructuring our Defence Forces towards a leaner and younger shape, we are against the idea of higher reserves and any change in the voluntary nature of recruitment into our Defence Forces. Going by our past experience and the general social attitude and ethos, we can not depend on reservists of any kind for a regular war. Moreover, a war in the Indian context is necessarily something forced on us by a turbulent neighbour and the timing can never be decided by us. By the time the reservists are summoned, our wars are apt to be over.

*Nature of
Recruitment*

33.12 Our Defence Forces have all along been making recruitment on voluntary basis. The concept of voluntary recruitment has been accepted by many countries in the world. Even the USA and Great Britain, who had a long experience of national service, have switched over to the system of voluntary recruitment. We feel that any change in the voluntary nature of recruitment into our Defence Forces will seriously affect the quality and morale of the personnel in the services. In view of these considerations we do not subscribe to the idea of either Voluntary National Service or Compulsory National Service, as they would bring in an element of force or conscription in the pattern of recruitment into the Defence Forces.

Lateral Induction

33.13 This leaves us with the option of "Reduced Colour Service with Lateral Induction within the Defence Forces and Outside It". We find this concept both practicable and workable. This option envisages a lean cadre of officers and men

serving upto their normal age of retirement and a large cadre of officers and men on short-term engagement with provision for their lateral induction within the Defence Forces and outside in the civil sector including police and paramilitary organisations. This concept not only promises to keep the combat Arms of our services young but also provides a framework for manpower optimisation by bringing in the concept of a large cadre on shorter term of engagement. However, the operationalisation of the concept would largely depend upon the scope for re-mustering within the services and the feasibility of finding required number of jobs outside the Defence Forces. We have as an interim measure elsewhere suggested increase in the percentage of reservation in Government jobs in CPOs for ex-servicemen and have also suggested a Joint Recruitment Board.

*Reduction in
Uniform Service*

33.14 While the concept of lateral induction holds good for officers and men of the three services, it holds special significance for the Combat and Combat support Arms among the Army PBOR for whom we have received a specific proposal from Army Headquarters on reduction of terms of engagement. The proposal envisages distributing the manpower into combat, combat-support, and supporting services groups and lateral shift within and outside the Defence Forces after prescribed periods of service and keeping in mind the age profile requirement in the groups. We have considered the proposal in detail and as a first step towards the operationalisation of the concept, we recommend that one third of the annual intake into the Combat and Combat Support Arms of the Army PBOR should be engaged on a shorter term of engagement of 7 years with the provision of their re-mustering into the other supporting Arms and Services within the Army. Here, while the scheme would keep the combat components young, it will save the effort required to find suitable jobs outside the Defence Forces to absorb these short-term engaged personnel.

*Withdrawal from
non-core
Functions*

33.15 We find that the Armed Forces have deployed their manpower in several areas not related to their core functions. If the Armed Forces withdraw from such areas, the manpower released can be utilised to meet the reported shortages of officers and men in the three services. Our specific suggestions in this regard are as under:

Rashtriya Rifles have been raised by drawing on the regular Cadre of the Army to perform internal security duties. The Armed Forces have represented that their deployment on internal security duties should be minimised. We also feel that the Army should legitimately be kept away from internal security chores. We, therefore, suggest that Rashtriya Rifles should be disbanded and the engaged manpower should revert to the regular cadre of the Army. Similarly, the Army should be completely withdrawn from the Assam Rifles.

The Armed Forces need not divert their manpower to organisations like the Survey of India, Directorate General of Quality Assurance, Defence Research and Development Organisation, Military Engineering Service, Border Roads Organisation, etc. There should be a gradual civilianisation of all these organisations and the officers can be used for core functions.

The Air Force is wasting its manpower on accounts jobs. Such jobs can be fully handled by civilians. The Air Force manpower should be withdrawn from such functions.

The service Headquarters are holding officers in excess of sanctioned strength, by drawing personnel from the field. These can be easily spared for field duties and their place taken by Civilians. We recommend that minimum required manpower be kept at the service HQ., and the surplus manpower released immediately for field duties.

There are a number of jobs in the Canteen Stores Department, Army Service Corps, Resettlement Wing, etc. which can be held by civilians. We suggest that these organizations should be progressively civilianised.

*Civilian-
Combatant Ratios*

33.16 Since employment of Civilians is a less costly proposition than that of Combatants, there is a clear case for exploring the possibility of civilianisation of posts in static, rear and administrative support organizations and workshops in the three services. We feel that the Ministry of Defence should set up a committee to review the existing civilian-combatant ratios in different wings of the Armed Forces and Inter-Service Organisations and identify posts for civilianisation. Here, we recommend that, as a governing principle, wherever the existing civilian-combatant ratio is 20:80 it should be raised to 50:50, where it is 70:30 to 80:20 and where the civilian component is 100%, the status quo should be maintained.

*National
Commission on
Manpower
Utilisation in
Defence Forces*

33.17 For the full operationalisation of the concept of "Reduced Colour Service with Lateral Induction within Defence Forces and Outside It" and to address other issues relating to manpower management in the Defence Forces, we recommend that the Government should constitute a National Commission on "Manpower Utilization in the Defence Forces". The proposed Commission, to have a holistic approach to the issue, should comprise representatives of the Armed Forces, the Ministry of Defence, Ministry of Home Affairs, Ministry of Finance and the Ministry of Human Resources Development and should deliberate on the proposed force mix requirement in view of the threat scenario and the reduction to be carried out through civilianisation of jobs, privatisation and contracting out of services as also integration of services and infra-structure across the three services.

*Incentive for
manpower savings*

33.18 However, as an incentive to achieve manpower reduction, we would recommend for the Government's consideration a proposal with an in-built incentive for reduction of numbers in the three services i.e. all savings achieved in the allocated resources due to cut-back on manpower could revert to the services. To illustrate, suppose the overall budgetary allocation for the Armed Forces is Rs.30,000 crores. We could give the Armed Forces a ten-year perspective plan with an annual increase of (say) 5%. This would be a guaranteed amount. Whatever reduction in manpower related expenditure is brought about by the Services could be allowed to them to be spent on acquisition of better equipment.

*Integration of
Service
headquarters with
MOD*

33.19 We have considered the issue of integration of Service Headquarters with the Ministry of Defence in the light of our governmental functioning and the suggestions of the IDSA and the Armed Forces. We have also taken into account the views of the Ministry of Defence on the issue. The Ministry of Defence maintain that the existing system allows continuous interaction between the Ministry and Service Headquarters and the professional and technical expertise available in the Service Headquarters is made use of for examining defence-related matters. They have further added that any integration beyond this point will have two main disadvantages :- (i) the system of independent analysis will be lost; and (ii) the military discipline would deter the service officers manning Ministry Posts to modify any proposal forwarded by the

Service Chiefs. In view of the Ministry's views, we do not recommend any change in the existing arrangement between Service Headquarters and the Ministry of Defence.

Conclusion

33.20 In our opinion, the measures listed in this Chapter should lead to a roughly 30% cut in the manpower of the Armed Forces during the next 10 years and should also lead to greater strike power in terms of modernization of weaponry and upgradation of technology.

Restructuring Ordnance Factories

INTRODUCTION



General

33.21 There are 39 Ordnance Factories having a manpower of 1.66 lakhs and an annual turnover of approximately Rs 3,000 crores. The employment under the Ordnance Factories accounts for nearly 87% of the total Govt. employment under the Deptt. of Defence Production and Supplies. The Ordnance Factory Organization functions as a departmental undertaking under the Department of Defence Production and Supplies. Ordnance Factories primarily serve as a production base for the Indian Armed Forces for supply of critical lethal as well as non-lethal stores. In the absence of adequate orders from the Armed Forces, Ordnance Factories are also now engaging themselves in production of items for the non-defence sector, for achieving better utilization of the available capacities and manpower. The existing range of products manufactured by Ordnance Factories include artillery and infantry weapons and other small arms, assorted ammunition, explosives and propellants, armoured vehicles and military transport vehicles, optical and opto-electronic instruments required by the Armed Forces, and combat uniforms, foot-wear and parachutes etc. The manufacturing processes in Ordnance Factories correspondingly cover a very wide spectrum, i.e. engineering, metallurgical, chemical, optics, opto-electronics, textiles and leather.

*Need for
Restructuring*

33.22 Of the 39 Ordnance Factories, 16 were set up before independence and had capacities created for finished stores as well as for basic and intermediate materials. These had, therefore, an excessive element of backward integration. In respect of factories set up after Independence, the orientation has been more towards production of finished stores, drawing upon the civil sector for supply of raw materials, components and semi-finished goods. In the context of the liberalised economic scenario, we thought that the need for continuance of Ordnance Factories as a totally dedicated production base under the Government should be examined. We have, in our approach towards workforce size control already recommended that no manufacturing and commercial activity should be undertaken departmentally by the Government. To what extent the Government could be disengaged from the activities carried out by the Ordnance Factories in view of their strategic nature and what form the restructuring should take was therefore, one of the major problem areas before us. In order to have

an objective assessment we commissioned M/s Tata Consultancy Services to undertake an independent study on "Restructuring of Ordnance Factories". The scope of the Study included restructuring of the Ordnance Factories to make them more goal-oriented and self-sustaining, examination of the viability of converting them to a PSU Structure, extent of privatisation possible and formulation of a manpower plan for the Organization.

Consultancy Study 33.23

The main suggestions made by the Consultants are as follows:

- Corporatisation of the Ordnance Factory Organization and privatisation of clothing and vehicle manufacturing units in a phased manner.
- Diversification into civil sector and reduction of backward integration.
- Re-deployment of excess manpower, selective induction of qualified manpower and introduction of new promotion system.
- Progressive limitation of the control by inspection agencies.
- Modifications in Financial control system.

Modifications in raw material procurement procedures.

Views of Ministry of Defence

33.24

The Ministry of Defence have not agreed with the suggestion of the Consultants for corporatisation of Ordnance Factories and have suggested retention of the existing structure. They are also of the opinion that privatisation is not a viable proposition. In their view, selective induction of manpower and modernisation of lines of production would improve productivity in the organization.

OUR RECOMMENDATIONS

33.25 We have taken into account the views expressed by the Consultants and the Ministry on this matter and our recommendations on the various issues connected with the structure of Ordnance Factories and streamlining of procedure are discussed in the succeeding paragraphs.

Basis for Restructuring

33.26 Ordnance Factories are basically a conglomerate of manufacturing/production units. But, being Departmental undertakings of the Government, they could hardly be run on the lines of industrial enterprises. This is clearly evident in view of the fact that some budgetary support is still required to be provided by the Government. Further, with Ordnance Factories now being required to go commercial (both domestic and international) in the face of dwindling indents from the Armed Forces, the need for freeing Ordnance Factories of shackles of Governmental procedures and allowing them full functional autonomy has become all the more evident. In our opinion, to make them more goal-oriented, cost-effective and self-sustaining, Ordnance Factories should be re-structured in the mould of Public Sector Undertakings.

Corporatisation

33.27

In the Public Sector set up, there would be more autonomy in managing day-to-day affairs of the factories as well as in devising their own set of rules in the areas of recruitment, pay scales, production policies, disciplinary rules and material procurement. As a public sector unit, Ordnance Factories will be able to raise funds from the capital markets. Since interest will have to be paid for the money raised, there will be more prudence in the money requirement and expenditure. With

the corporate financial accounting system, the performance of Ordnance Factories will become measurable and without the assurance of Government support at all times, cost consciousness will increase. With the present system of all available funds lapsing on March 31 dispensed with, procurement process involving long delivery schedules will be streamlined and Ordnance Factories will be able to retain profit which they may earn in civil trade. Moreover, without the requirement of pre-audit of expenditure, there will be no tendency to maintain an inventory level higher than what is really required, thus resulting in better inventory management and cost control.

33.28 In keeping with our view that Government should concentrate on core activities such as policy making and not be directly involved in production activity, we recommend that Ordnance Factories be converted into a public sector unit. The units may sign a memorandum of understanding (MOU) with the Government of India, under which certain targets would be laid down to evaluate the performance of Ordnance Factories. The MOU should also specify the degree of autonomy to be granted to Ordnance Factories.

*Phased
Privatization*

33.29 In addition to manufacturing strategic military stores, Ordnance Factories are also presently engaged in manufacture of transport vehicles and cables and certain clothing, leather and packing items. There is an emerging opinion that in keeping with the present liberalised economic dispensation, Ordnance Factories should be disengaged from these non-strategic areas and that these items should be procured ex-trade.

33.30 We recommend that Ordnance Factories engaged in non-core, non-strategic areas of production should be privatised in a phased manner. To start with, the Ordnance Equipment Group of Factories consisting of Ordnance Equipment Factory, Ordnance Parachute Factory, Ordnance Clothing Factory may be considered for privatisation. In the next phase Vehicle Factory and Grey Iron Foundry be privatised. Subsequently, the Ordnance Cable Factory may also be considered for privatization.

*Diversification
into Civil Sector*

33.31 In order to significantly improve the capacity utilization of Ordnance Factories, greater thrust should be given to diversification into civil sector. The engineering factories among the Ordnance Factories offer ample scope for diversification. These factories have special strengths, which can be tapped in precision machining, machining of larger jobs, and manufacture of special grade steel. What may at best be required would be retooling of certain machines for civil sector production and switching back to defence production may not be a difficult and expensive exercise. Keeping in mind the tremendous scope for diversification, a real annual growth in civil trade of 25% should be achievable.

*Reduction in
Backward
Integration*

33.32 Though Ordnance Factories have already shed backward integration in some areas like bar-mill and steel-melting, there is still enough scope for further reducing backward integration. Ordnance Factories should disengage from manufacturing raw materials and other inputs, which are already available in trade in desired quality and quantity, as their manufacturing by Ordnance Factories themselves does not lead to economies of scale.

*Skill
Replenishment*

33.33 While Ordnance Factories are generally over-staffed, they are particularly deficient in some of the requisite skills. In the Ordnance Factory Organization, old skilled hands are getting depleted due to normal wastage through retirement and death and there is no induction of new skilled hands to recoup these wastages, due to continuing ban on fresh recruitment in DGOFO Organization. This portends a very difficult situation for the organization in the year 2000 and beyond, when most of the old skilled hands would retire. Already, Ordnance Factories, which

have gone in for NC/CNC machines, are finding it difficult to man them in the absence of adequate skilled hands. In this scenario, a comprehensive manpower review is long over due. It should be undertaken immediately.

33.34 As large scale retirements are scheduled in the next 5 years, Ordnance Factories have a real opportunity to right-size their manpower. The existing flab in manpower, when wasted out, should not be recouped. Fresh manpower induction should be limited only to meet the emerging skill requirements and Ordnance Factories can formulate a perspective manpower plan to this end. Here, we specifically recommend that Ordnance Factories should be allowed to induct skilled manpower both at the working and supervisory levels as per the perspective manpower plan.

Quality Assurance 33.35 Ordnance Factories have their own quality assurance set-up to ensure quality at all stages, starting from raw material procurement to inter-stage production to final assembly of the product. This set-up is parallel to the set-up of DGQA, Naval Armament Inspection and Air Armament Inspection Wing. As most of the Ordnance Factories have got ISO-9002 Certification and they have been giving a lot of importance to the quality aspect, we feel that they can be depended upon to ensure quality of the product. However, keeping in view the critical importance of quality in the field of arms and ammunition from the point of view of the user i.e. Armed Forces, we would still be in favour of independent audit of the quality of the final product.

33.36 Thus, we recommend that independent audit through DGQA, Naval Armament Inspection and Air Armament Inspectorate should be confined to the quality assurance of the final product and to quality assurance at inter-stage production and raw material procurement stage only in the case of some very lethal and critical items. In all other matters, Ordnance Factories should be solely responsible and accountable for quality assurance.

*Audit of
Expenditure*

33.37 The existing system of pre-audit of expenditure should be restricted to amounts above specified values and independent financial control can be exercised by a regular process of post-audit. In the Public Sector Structure, however, the existing accounts establishment has to be fully integrated with the Ordnance Factories structure.

CONCLUSIONS

33.38 Our suggestions with regard to the Ordnance Factory Organization would have the effect of making the Organization more goal-oriented and focused in the context of the new economic dispensation and ultimately lead to greater self-reliance for the Ordnance Factories. The three pronged approach of conversion to PSU, privatisation of non-core, non-strategic areas and improvement of capacity utilisation through planned diversification into the civil sector, it is hoped, will result in improving the efficiency of these units and reduction in manpower to the tune of 87% of the existing manpower under the Department of Defence Production and Supplies. Since the average age of employees is high and a significant portion of manpower would retire within the next six years, redeployment of manpower may not pose a serious problem.

The General Economic Situation

INTRODUCTION

34.1 One of the major factors that has to underlie our recommendations is the general economic situation in the country. Obviously, if the economy is in a mess, the employees alone cannot have a good time. On the other hand, if there is a generally upbeat mood in the country, Government employees should also share in the general prosperity.

The backdrop of the present report - the New Economic Reforms

34.2 Today, as we write the present report, the reforms under the New Economic Policy have made deep inroads into the various sectors of the Indian economy. The unleashing of the reforms package has been by far the most significant development on the economic front in the last decade. These reforms have brought India to the threshold of a new era, an era which is marked by a transition away from the strong interventionist development strategies to more open and market-oriented strategies.

The genesis of the reforms

34.3 The reforms were essentially a response to the unprecedented crisis which hit the Indian economy in 1991. This exigency had been precipitated by the reckless public spending through the 1980s and the consequent decline in the foreign exchange reserves in 1991, which fell to a level just sufficient to meet the import requirement of the country for two weeks. International credit ratings plummeted and the confidence of the financial community in our ability to manage our resources fell to an all time low. We were at the brink of default. Meanwhile, the collapse of the centrally planned economies like USSR and other East European countries discredited the planning and interventionist approach the world over. It was increasingly recognised that excessive governmental intervention could be counter-productive. Thus the role of

Part III

General Principles for Pay Determination



I can tell where my own shoe pinches me
सत्यमेव जयते

Cervantes

the Government came to be redefined. Not only the scope and areas of bureaucratic intervention underwent a radical downward revision, but the bureaucracy was now required to act as a facilitator by intervening meaningfully, and not as a controller or a regulator. The economic reforms in India represented the fruition of this philosophy.

The content of the reforms

34.4 The reforms package as it unfolded over the years came to have a set of stabilisation-cum-structural adjustment measures. In the field of industry, the major initiatives consisted of liberalisation of direct discretionary controls on investment and prices and delimitation of areas reserved for the public sector. With reference to the tax structure, change resulted in simplification and rationalisation of the rates of income and excise tax rates broadening of the tax base, abolition of wealth tax on productive assets, etc. In the area of trade and exchange rates, selective abolition of import controls, reduction of import duties, partial convertibility of the rupee and simplification of rules and procedures for attracting private foreign investment were the new steps. In the financial sector, revised accounting and prudential norms were introduced, SLRs reduced and rates of interest offered by Government on its own market borrowings increased. Similar reforms were initiated in the capital market and Government's control over pricing of issues was done away with, consequent to the abolition of the office of the Controller for Capital Issues. SEBI was given statutory powers and was required to regulate the market. Private sector mutual funds and foreign institutional investors were also encouraged to operate.

POSITIVE IMPACT OF REFORMS

34.5 In what follows we summarize the major trends in the economy in the post-reform period after the year of crisis (1991-92)

Gross Domestic Product

34.6 We observe that India recorded one of the fastest recoveries from a macro-economic and balance of payments crisis. The growth achieved is spectacular even by international standards. A look at the rate of growth of Gross Domestic Product at factor cost and constant prices shows a jump from 0.8% in 1991-92 to 7% in 1995-96 (See Annexe 34.1). As against the earlier years when increases of this magnitude were largely explained by high rates of growth in agriculture, the improvement since 1994-95 is being attributed to the remarkable development of industry.

The steady increase in Industrial Production

34.7 The rate of industrial growth may be gauged from a look at the Index of Industrial Production. The annual increase in the Index of Industrial Production which had dipped to a level of 0.6% in 1991-92 rose steadily to a level of 9.3% in 1994-95 and 10.4% in 1995-96 (See Annexe

Section I

The Backdrop



सत्यमेव जयते

34.1) Industrial growth has not only been high during the last two years but has also been broad-based. The capital goods sector maintained its position as an important contributor to the industrial surge, with a growth rate of 26.2% and 20.4% in 1994-95 and 1995-96 respectively. In the core sector, however, while the rates of growth of coal and cement have shown acceleration, those of electricity and crude oil have declined. The Index for Industrial Production for electricity has shown a sharp drop in April-May, 1996. This is primarily on account of reduced hydro-electric generation. The Index for crude oil production also declined in the period April-May, 1996.

The deceleration in the rate of inflation

34.8 We observe that the annual rate of inflation based on the WPI declined from a level of around 14% in 1991-92 to that of 10.4% at the end of 1994-95 and 5.0% at the end of 1995-96 (See Annexe 34.1). This success in containing inflation is attributed to a combination of factors including a deceleration in monetary growth, high levels of open market sales of food grains, a liberal import policy, especially for essential commodities and a surge on the supply side associated with acceleration in the rate of growth of GDP. The slowing down of inflation was noticed across the board in primary articles like food grains, manufactured products, etc. Prices of fuel, power, light and lubricants showed moderate increases in the past but are now slated to rise as a result of the upward adjustment in their administered prices. The rate of growth of Consumer Price Index, on the other hand, fell from a level of around 14% in 1991-92 to 8.9% in 1995-96.

The turnaround in the external sector

34.9 The economic reforms also led to a marked and favourable turnaround in the performance of the external sector since the crisis of 1991. The key indicators regarding the country's position are summarized at Annexe 34.2. We observe the following trends.

- i) A strong and sustained recovery in exports is observed with the rate of growth of exports in dollar terms moving up dramatically from -1.1% in 1991-92 to 20.8% in 1995-96.
- ii) The ratio of exports to imports has moved within the range of 85 to 90% in recent years, compared to a mere 60% in the later half of the 80s.
- iii) There has been a substantial decline in the current account deficit as a proportion of GDP from over 3% in 1990-91 to more manageable levels in recent years.
- iv) An upsurge has taken place in foreign investment from less than \$

100 million to around \$ 4 to 5 billion in the last three years

- v) There was an increase in foreign currency reserves from \$ 2.2 billion in March, 1991 to over \$ 20 billion in March, 1995, which however declined to \$ 17 billion in March, 1996.

34.10 Though the rise in exports remained strong at 21 per cent in dollar terms during 1995-96, the balance of payments came under some pressure because of the continuing surge in imports, high debt-service ratio on liabilities incurred in the previous years and a decline in the net portfolio investments in the form of GDR issues. The pressure on the BOP manifested in the depletion of foreign currency reserves to the extent of \$ 3 billion during 1994-95 and 1995-96, as well as the depreciation of the rupee.

AREAS OF CONCERN

*The slow growth
in agriculture*

34.11 There is also some mixed news in a few critical sectors. Initially, the percentage increase in the index of agriculture production plummeted to 2.0% in 1991-92. It, however, recovered to around 4% per annum during the period 1992-93 to 1994-95. In 1995-96 the percentage increase fell to 0.9%. Food grains production which had risen to a new peak of 191.1 million tonnes in 1994-95 may also turn out to be marginally lower at 190.4 million tonnes in 1995-96 because of a decline in wheat output. Public food stocks which peaked at a high of 35.6 million tonnes in July, 1995 declined to 22.7 million tonnes in April, 1996 because of the open market sales by FCI. The buffer stock of 22.7 million tonnes is, however, still 50% more than the norm. Reforms in the customs tariff, trade policy and exchange rates have substantially reduced the bias against agriculture. Investment in agriculture still remains an area of concern and may possibly be responsible for the recent slowdown in agriculture.

*The crisis in
infrastructure,
the power
supply shortage
and congestion
in freight
transportation*

34.12 The country is already facing a crisis in the field of infrastructure. An unprecedented power supply deficit and growing freight transport problems threaten to undermine the country's stabilization and reform efforts. The recent reforms ended decades of public sector monopoly (with the exception of railways) in infrastructure and invited the private sector to address the major infrastructure needs. While the response of the private sector to shipping, air transport and telecommunications has been strong and positive, the same cannot be said of other areas like power, roads, etc.

*The decline in
poverty and*

34.13 A key objective of India's liberalisation programme has been employment generation and poverty alleviation. The sharp

*increase in
employment*

devaluation of the rupee and the decline in protection to the manufacturing sector did turn the terms of trade in favour of agriculture on which a large segment of the population is dependent. On the other hand, the increase in prices of key commodities such as fertilizers, rice, sugar, coffee and gasoline could have put a high burden on the poor. The All India figures on the number and percentage of people below the poverty line as supplied by Planning Commission, however, shows a decline in the number of poor from 201.41 million to 168.57 million between 1987-88 and 1993-94 (See Annexe 34.3). This is supported by case studies as well as statistics on wages for unskilled agricultural labour. The 1993-94 National Sample Survey released in July, 1996 also indicates that the incidence of poverty has declined. Similarly, as per the estimates of employment given by Planning Commission, the additional employment generated appears to have gone up from a level of 3.0 million in 1991-92 to 7.18 million in 1994-95 (See Annexe 34.4). While all this is heartening, what instils disquiet in our mind is the absolute numbers of the poor and the unemployed, which still continue to be unduly large.

*The inadequate
progress in the
social sector*

34.14 The progress in the field of social sector is far from satisfactory. Indicators on demography, mortality, education, nutrition etc. show a poor performance. India which was close to China in 1960 is now far behind. The main reason is the poor delivery system. Every innovative programme seems to deliver only a fraction of the intended benefits and is almost always accompanied by high administrative costs and leakages.

CONCLUSION

34.15 The sum and substance of the preceding analysis is that we no longer stand on the brink of a macro-economic disaster as we did in 1991. Our industrial growth is buoyant and so is GDP. We have made some dent in the problems of poverty and unemployment. Inflation is largely under control. Exports are doing very well and our foreign currency reserves are comfortable. No doubt, there are areas where we should do better, as in the fields of agriculture, social services and infra structural development.

34.16 From the point of our limited perspective, we could conclude that the economic reforms have come to stay, the economy is in a better shape than before and there is every room for optimism. There is no reason, therefore, to deny what is reasonably due to the Government employees as a class. It cannot be gainsaid that they can also legitimately claim part of the credit for the turnaround of the economy.

KEY INDICATORS OF INDIAN ECONOMY

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1. Gross Domestic Product at Factor Cost (Rs. thou. crres at 1980-81 prices) (% change over previous year)	130.4	156.6 3.1	163.3 4.3	170.3 4.3	188.5 10.7	201.5 6.9	212.3 5.4	214.0 0.8	224.9 5.1	236.1 5.0	251.0 6.3	268.7 7.1
2. Index of Agricultural Production (Base: 1981-82 = 100) (% change over previous year)	N.A.	119.5 N.A.	N.A. N.A.	115.3 N.A.	140.0 21.4	143.0 2.1	148.4 3.8	145.5 -2.0	151.5 4.1	156.8 3.5	164.6 5.0	166.1 0.9
3. Foodgrain Production (million tonnes) (% change over previous year)	145.5	150.4 3.4	143.4 -4.7	140.4 -2.1	169.9 21.0	171.0 0.6	176.4 3.2	168.4 -4.5	179.5 6.6	184.3 2.7	191.1 3.7	194.4 -0.4
4. Index of Industrial Production (1980-81 = 100) (% change over previous year)	130.7	142.1 8.7	155.1 9.1	166.4 7.3	180.9 8.7	196.4 8.6	212.6 8.2	213.9 0.6	218.9 2.3	232.0 6.0	253.5 9.5	279.8 10.4
5. Wholesale Price Index (1981-82 = 100) (% change over previous year)	121.8	127.7 4.8	134.2 5.1	148.5 10.7	156.9 5.7	171.1 9.1	191.8 12.1	217.8 13.6	233.3 7.0	258.3 10.8	285.2 10.4	299.5 5.0

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
6. Consumer Price Index for Industrial Workers (1982 = 100) = (% change over previous year)												
	120.0	130.0	138.0	155.0	163.0	177.0	201.0	229.0	243.0	267.0	293.0	319.0
		8.3	6.2	10.9	6.5	8.6	13.6	13.9	6.1	9.9	9.7	8.9
7. Money Supply: \$S (Rs. thou. crores) (% change over previous year)												
	103.2	119.6	141.8	164.3	193.5	231.0	265.8	317.0	366.8	434.4	531.4	600.5
		15.9	18.6	15.9	17.8	19.4	15.1	19.3	15.7	18.4	22.3	13.0

April-February 1995-96
As on end March, percentage relate to point to point change in the Index over three year.

\$S As on end March.

N.A. Not Available
or Quick Estimates
or Revised Advance Estimates



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ANNEXE 34.2
(PLEASE REFER TO PARA 34.9)

BALANCE OF PAYMENTS: KEY INDICATORS

		(US \$ million)				
Items	1990-91 (Pre- Actuals)	1991-92 (Pre- Actuals)	1992-93 (Pre- Actuals)	1993-94 (Quick Est.)	1994-95 (Quick Est.)	1995-96 (Quick Est.)
1.	2.	3.	4.	5.	6.	7.
1. Exports	18,477	18,266	18,869	22,700	26,857	32,430
2. Imports	27,914	21,064	23,237	23,985	31,672	39,445
of which POL	6,028	5,364	6,100	5,650	5,928	7,156
3. Trade Balance (1-2)	9,437	2,798	4,368	1,285	4,815	7,015
4. Invisibles (Net)	243	1,620	842	970	2,191	1,930
(ii) Non-factor services	979	1,207	1,128	777	494	68
(iii) Investment Income	3,752	3,830	3,422	4,002	3,905	4,487
(iii) Private transfers	2,069	3,783	2,773	3,825	6,200	6,150
(iv) Grants	461	460	363	370	390	335
5. Current Account (3+4)	9,680	1,178	3,526	315	2,624	5,085
6. External assistance (Net)	2,210	3,037	1,859	1,700	1,250	996
7. Commercial Borrowings (Net) ^{6/}	2,249	1,456	358	1,252	1,029	82
8. I.M.F. (Net)	1,214	786	1,288	191	1,146	1,710
9. Non-resident deposits (Net)	1,536	290	2,001	940	847	1,365
10. Rupee debt service	1,193	1,240	878	745	1,050	963
11. Foreign investment	68	154	585	4,110	4,895	4,077
12. Other Flows ^{7/}	2,318	271	243	1,735	1,556	1,681
13. Capital Account Total (Net)	8,402	4,754	4,254	9,183	7,381	2,166
14. Reserve Use	1,228	1,536	728	8,868	4,757	2,919

1.	2.	3.	4.	5.	6.	7.
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MEMO ITEMS

15.	Export Growth (%)	9.0	-1.1	3.3	20.3	18.3	20.8
16.	Import Growth (%)	14.4	-24.5	10.3	3.2	32.0	24.5
17.	Export-Import ratio (%)	66.2	86.7	81.2	94.6	84.8	82.2
18.	Current account-GDP ratio (%)	-3.2	-0.4	-1.8	-0.1	-0.8	-1.6
19.	Foreign Currency Assets (\$ million, end of Period)	2,236	5,631	6,434	15,068	20,809	17,044
20.	Total Debt Service Payments (\$ million)	8,982	8,250	7,658	8,347	10,955	12,625

Source : Economic Survey, 1995-96 : An Update.

* Figures include receipt on account of India Development Bonds in 1991-92 and related repayments, if any, in the subsequent years.

+ Include among others, delayed export receipts and errors and omissions. For the year 1992-93 it also includes errors and omissions arising out of dual exchange rates applicable under the Liberalised Exchange Rate Management System (LERMS).



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NUMBER AND PERCENTAGE OF POPULATION BELOW THE
POVERTY LINE - ALL INDIA

Area	1987-88 (Revised)		1993-94 (Preliminary)	
	Number (Mill.)	% age Below Poverty Line	Numbers (Mill.)	% age Below Poverty Line
1.	2.	3.	4.	5.
Rural	168.30	28.37	141.05	21.68
Urban	33.11	16.82	27.52	11.55
Total	201.41	25.49	168.57	18.96

Source: Economic Survey: 1995-96



Annexe 34.4
(Please Refer to para 34.13)

Estimates of Employment

Year	Total Employment (in millions)	Annual (%) Increase in Employment	Additional Employment Generated (in millions)
1	2	3	4
1989-90	292.89	--	--
1990-91	298.73	1.99	5.84
1991-92	301.73	1.00	3.00
1992-93	308.31	2.18	6.58
1993-94*	313.33	1.63	5.02
1994-95	320.51	2.29	7.18

Source: Economic Survey, 1995-96



Financial Resources of the Central Government

- Introduction* 35.1 Our terms of reference require us to examine the structure of emoluments and conditions of service of Government servants having regard among other relevant factors to the resources of the Central Government and the demands placed thereon, such as those on account of economic and social development, defence and national security and requirements of sound fiscal management. In this context, a review of the finances of the Central Government has been necessitated, to assess the capacity of the Government to meet the enhanced wage bill consequent to our recommendations.
- The Finances of the Central Government* 35.2 We observe that the position of the Central Government finances at present, although not as alarming as in 1991 is by no means comfortable. A look at the revised estimates of the various indicators of fiscal imbalance in 1995-96 show the revenue deficit to be of the order of Rs.33,331 crores or 3.1% of GDP, the budgetary deficit to be around Rs 7,600 crores or 0.7% of GDP and the gross fiscal deficit to be Rs.64,010 crores or 5.9% of GDP (see Annexe 35.1).
- Revenue Deficit* 35.3 Revenue deficit measures the excess of revenue expenditure over revenue receipts. Prudent fiscal management would require revenue receipts not only to completely finance the revenue expenditure but also to generate enough surpluses for meeting the capital expenditure. We have a large revenue deficit, and it has moved from 2.2% in 1985-86 to 3.5% in 1990-91, to 4.1% in 1993-94, before dropping to 3.1% in 1995-96. While revenue deficit has improved in comparison to 1990-91 it continues to cause anxiety as its absolute magnitude is large. This in effect means that increasingly large proportions of high cost borrowings are being diverted to meet the deficit in the revenue account without any return flow to service the borrowings.
- Budgetary Deficit* 35.4 Budgetary deficit, broadly speaking is a measure of borrowings from the RBI. Borrowings from RBI lead to a multiple increase in money supply and thus put an upward pressure on prices. We observe that the position regarding budgetary deficit is not as alarming and as a percentage of GDP budgetary deficit

has fallen from 2.1% in 1990-91 to 0.7% in 1995-96.

*Gross fiscal
Deficit*

35.5 Gross fiscal deficit is the most comprehensive measure of fiscal imbalance as it includes internal and external borrowings of Central Government in addition to the conventional budgetary deficit. It stood at 5.9% of GDP as per the revised estimates for 1995-96. Though the fiscal deficit as a percentage of GDP has shown a substantial drop since 1990-91 when it had peaked at 8.3%, it still hovers in the danger zone. High fiscal deficits when financed out of external sources, necessarily imply increased debt burden as well as increased debt servicing. Fiscal deficits financed out of the internal borrowings from the public, increase interest rates and crowd out private investment in productive areas. Fiscal deficits financed out of borrowings from RBI can be inflationary. If such high-cost borrowings are to be used only for investing in unproductive areas, where the returns are very low or negative, such as in loss making PSUs, or on wages and salaries of Government employees, subsidies, defence etc., the situation becomes well nigh unsustainable. Reckless borrowings, among other things, have landed countries in deep financial crises. The bursting of the Mexican bubble and the consequent insolvency of the Mexican Government is a case in point. India too had landed itself in almost a similar predicament during the economic crisis of 1991 when its fiscal deficit as a percentage of GDP had touched 8.3% and it was faced with the prospect of defaulting on its international commitments. All access to external commercial markets had then been denied to India and the international financial community's confidence in our ability to manage our finances was at an all time low.

35.6 The precariousness of the country's finances is also brought out by a look at Annexure 35.2 which spells out the financing pattern of the Eighth Plan Public Sector Outlay. The realization of the target of public sector expenditure of Rs.4,34,000 crores during the Eighth Plan crucially depends on the mobilization of adequate savings from within the economy (46.6%), contribution from public sector enterprises (34.1%) and balance from current revenues (8.1%). Trends, however, show that the Balances from Current Revenues have been negative in the past 7 years (see Annexure 35.3). The performance of the Departmental Enterprises has also been very dismal. A large gap is observed between the amount of resources targeted to be generated by the Public Sector and the actual contribution from the Public Sector during the 7th plan. A number of Public Sector Enterprises continue to be in the red and Railways, inspite of generation of surpluses, continue to depend on the centre for budgetary support. No appreciable increase is observed in the rate of savings, which appear to have reached a plateau. Deficit financing as a source of finance for the Eighth plan had been targeted at 4.6% of the total resources but one can only be sceptical about this target for the reasons mentioned above. The figures for the targeted and the realized amount of deficit financing for the 7th plan only go to confirm our apprehensions.

*The Wage Bill of
the Central
Government
Employees*

35.7 We observe that expenditure on pay and allowances of the civilian employees has risen from a level of 5422.23 crores in 1985-86 to Rs.14,708.04 crores in 1993-94 and has grown at an compound annual rate of 13.28% (See Annexure 35.4). This increase is largely explained by increase in pay of gazetted and non-gazetted officers, Dearness Allowance and other allowances which grew at 17.34%, 18.38%, 9.04% and 14.72% respectively. A very small part of the increase in the wage bill can also be attributed to the increase in the number of central government employees, who grew at compound annual rate of 0.2% as per

the economic survey data

35.8 Annex 35.5 indicates the trends in total expenditure on pay and allowances of Defence Forces. We observe that the expenditure on pay and allowances of the defence forces has grown from a level of Rs 1915.91 crores in 1985-86 to Rs 4596.41 crores in 1993-94 at a compound annual rate of 11.56%. Thus in 1993-94 the total outgo on the pay and allowances of civilian employees as well as defence employees was roughly of the order of Rs 19,305 crores.

35.9 The expenditure on pay and allowances of the civilian employees as a percentage of revenue receipts, revenue expenditure and GDP is observed to have declined steadily since 1960-61 (See Annex 35.6). However, between 1985-86 and 1993-94, expenditure on wages and salaries as a percentage of revenue receipts seems to have increased somewhat from 19.3% to 19.5%. The expenditure on wages and salaries as a percentage of revenue expenditure on the other hand has fallen from a level of 16% in 1985-86 to 13.6% in 1993-94. This indicates that other items of revenue expenditure during this period grew faster than the expenditure on wages and salaries.

Erosion in salary levels

35.10 Our examination of the salaries of Central Government employees over the years has shown serious erosion on account of inflation, especially at the higher levels. The extent of erosion at the Secretary level is as high as 71%. Comparisons with the other sectors like the private sector and the public sector show that the government employees have been left far behind in the race and have lost their position of preeminence.

35.11 We also observe that the percentage increase in salaries at the various levels in government between 1.1.86 and 1.1.96 is even lower than the percentage increase of per capita income during the same period (See table below). While the percentage increase between 1986 and 1996 in per capita NNP at current prices is 178.1, that between the emoluments (Basic+DA+IR) of the peon, LDC, UDC, Assistant, Group A JTS and Secretary is much lesser and hovers between 107.3% and 174.7%. The percentage increase in per capita income measures the average increase of incomes in the country. Surely the increase in incomes of the Government employees cannot be lesser than the average increase.

Increase in Per Capita Net National Product and Emoluments of Government Employees during 1986 and 1996

Items	1.1.1986	1.1.1996	Percent Increase
1	2	3	4
Per Capita Net National Product Rs. at current prices	2962* (1986-87)	8237** (1994-95)	178.1
Emoluments (Basic+DA+IR)			
(i) Peon	750	2060	174.7

Items	I I 1986	I I 1996	Percent Increase
1	2	3	4
(ii) LDC	950	2556	169.1
(iii) UDC	1200	3196	166.3
(iv) Assistant	1640	4331	164.1
(v) Group A (JTS)	2200	5776	162.5
(vi) Secretary	8000	16580	107.3

* Relates to 1986-1987

** relates to 1994-95

Capacity of the Government to pay

35.12 When we examine the argument regarding Government's capacity to pay, there are two extreme opinions that need to be considered. It can be said, and it has been said by the representatives of the employees, that there really is no limit to the Government's capacity to pay. Government can raise revenue by plugging of various loopholes, it can cut down on other non-essential items of expenditure and when everything else fails it can print money. Employees also point out that scarcity of resources does not seem to inhibit the Government when it indulges in various games of populist profligacy. Its purse-strings tighten only when the question of its own employees is raised.

35.13 Another argument given by the employees is that Government used to spend almost one-third of its revenue expenditure on wages and salaries of its employees; now it is down to 13%. The Government's argument is that this is misleading and 13% itself is too high a figure of expenditure on employees, that the fiscal deficit is too steep and has necessarily to be brought down, that Government is unable to reduce its other items of expenditure in nature and the major scope for reduction lies in the expenditure on employees.

Our Approach

35.14 We have tried to steer a middle course between the two extremes. It is true that the Government is facing a difficult budgetary situation. There is need to prune the fiscal deficit as also to keep the rate of inflation at a reasonable level. At the same time, lack of resources cannot be cited as an unalterable reason by denying the employees their due. Government itself is partly to blame by its act of lifting the lid off private sector emoluments. It has also not shown circumspection while approving wage revisions in the Public Sector probably due to pressure of employees' unions. In the case of certain high-wage islands like airline pilots, Government has gone berserk. With this unenviable record, it can hardly preach abstinence and forbearance to its employees.

35.15 What is needed is statesmanship and vision. Our leadership must aim for a style of governance in which the role of direct state involvement in the life of the citizenry is reduced to the minimum. We should have fewer but better-paid employees. We have suggested certain measures for rightsizing of the Government machinery. If the Government is serious about containing the deficit it will implement those recommendations with vigour and single-mindedness. In case the numbers can be brought down, Government can very well afford to pay its employees a decent salary.

Revenue Deficit, Budgetary Deficit, Gross Fiscal Deficit and Primary Deficit of the Centre

(Rs crores)									
Items	1985-86	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96 (R.E.)	1996-97 (B.E.)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	
I. RECEIPTS									
1. Revenue Receipts	28,635	54,954	66,030	74,128	75,453	91,083	110,191	130,345	
2. Capital Receipts									
(i) Recovery of Loans	2,273	5,712	6,021	6,356	6,191	6,345	7,411	7,048	
(ii) Other receipts (disinvestment of Shares of PSUs and issue of Bonds)	..	..	3,038	1,961	-48	5,607	1,392	5,001	
(iii) Borrowings and Other Liability	16,542	33,285	29,469	27,862	49,297	56,743	56,410	55,688	
Total - I	47,350	93,951	104,558	110,307	130,893	159,778	175,404	198,082	
II. EXPENDITURE									
1. Revenue Expenditure	33,524	73,516	82,292	92,702	108,169	122,112	143,522	161,820	
(i) Non-Plan Expenditure	27,017	60,656	67,218	72,925	83,321	93,847	113,099	128,353	
(ii) Plan Expenditure	6,507	12,860	15,074	19,777	24,848	28,265	30,423	33,467	
2. Capital Expenditure	18,742	31,762	29,122	29,916	33,684	38,627	39,482	42,640	
(i) Non-Plan Expenditure	5,755	16,037	13,235	13,033	15,453	19,514	21,221	21,622	
(ii) Plan Expenditure	12,987	15,725	15,887	16,883	18,231	19,113	18,261	21,018	
Total - II	52,666	105,298	111,414	122,618	141,853	160,739	183,004	204,660	
III. Revenue Deficit (I.1 - II.1)	5,859	16,562	16,262	18,574	32,716	31,029	33,331	31,475	
IV. Budgetary Deficit (I - II)	5,316	11,347	6,856	12,311	10,960	961	7,600	6,578	
V. Gross Fiscal Deficit (IV + I.2(iii))	21,858	44,632	36,325	40,173	60,257	57,704	64,010	62,266	
VI. Primary Deficit (V - Int. Payments)	14,346	23,134	9,729	9,098	23,516	13,655	12,010	2,266	
As Percent of G.D.P.									
Revenue Deficit	2.2	3.5	2.6	2.6	4.1	3.3	3.1	2.5	
Budgetary Deficit	2.6	2.1	1.1	1.7	1.4	0.1	6.7	0.5	
Gross Fiscal Deficit	8.3	8.3	5.9	5.7	7.5	6.1	5.9	5.0	
Primary Deficit	5.5	4.3	1.6	1.3	2.9	1.4	1.1	0.2	

Source: 1. Budget Documents of the Central Govt.
2. Economic Survey

Pattern of Financing the Public Sector Plan Outlay

Items	(Rs crores)					
	Seventh Plan 1985-90 (at 1984-85 prices)				Eighth Plan 1992-97 (at 1991-92 prices)	
	original estimates		latest estimates			
	Amount	% to the Total	Amount	% to the Total	Amount	% to the Total
1.	2.	3.	4.	5.	6.	7.
1. Balance from current revenues at pre-Plan rates of taxes	-5249	-2.9	-12502	-7.0	35.005	8.1
2. Contribution of Public Enterprises	35.465	19.7	14.083	7.9	148.140	34.1
3. Market borrowings	30.562	17.0				
4. Small savings	17.916	10.0				
5. Provident funds	7.327	4.1	103.226	57.8	176.055	40.6
6. Misc. capital receipts (net)	12.618	7.0				
7. Term loan from Financial Institutions	4.639	2.6			26.200	6.0
8. Inflow of Foreign resources	18.000	10.0	15.124	9.0	28.700	6.6
9. Deficit financing/uncovered exp	14.000	7.8	26.256	15.8	20.000	4.6
10. Additional resource mobilisation	44.702	24.8	31.391	17.6	*	0.0
11. Opening surplus/deficit	0	0.0	(2.008)	-1.1	0	0.0
12. Total Resources	180.000	100.0	178.570	100.0	434.100	100.0

* Included under respective Heads.

Source: Eighth Five Year Plan (1992-97) Vol. I. Planning Commission.

Annexe 35.3

Balance from Current Revenues: 1989-90 to 1995-96

(Latest Estimates)

(Rs crores)

Year	Centre	States	Total
1.	2.	3.	4.
1989-90	-4371	2917	-1454
1990-91	-9163	-1365	-10528
1991-92	-6060	-2940	-9000
1992-93	-2494	220	-2274
1993-94	-15713	-1709	-17422
1994-95	-13370	-5722	-19092
1995-96 (Annual Plan)	-14796	1642	-13154

* Includes ARM committed at CMS level, a part of which may relate to SLEPs also.

Source: 1. Indian Public Finance Statistics, Min. of Finance.

2. Annual Plan - 1995-96

(Rs crores)											
Pay/Allowances	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	Annual compound GR(%) 1985-86 to 1993-94
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1. Pay of Gazetted officers	148.80	156.41	220.13	446.41	450.41	450.73	498.18	512.83	565.37	562.08	17.34
2. Pay of Non-Gazetted officers	1,472.59	1,506.52	3,049.06	4,821.09	5,006.68	5,143.58	5,462.70	5,545.34	5,610.93	5,811.88	18.38
3. Dearness Allowance incl. AGA and IP	2,485.64	3,012.89	1,897.80	602.31	1,186.00	1,806.14	2,360.75	3,242.14	4,761.78	6,019.60	9.04
Sub-total- (i) (1 to 3)	4,107.03	4,675.82	5,167.01	5,869.81	6,643.09	7,400.45	8,261.63	9,300.31	10,938.08	12,393.56	12.96
4. House Rent Allowance	157.27	175.17	295.57	315.67	538.62	638.94	666.08	681.50	826.06	714.90	15.20
5. Compensatory (City) Allowance	69.25	62.57	73.07	93.01	100.47	122.06	115.04	109.74	117.46	132.90	9.80
6. Overtime Allowance	156.48	168.35	172.68	210.18	200.32	229.81	234.27	285.63	315.21	333.77	8.91
7. Composite Hill Compensatory Allow.	3.16	3.13	4.15	6.00	7.43	6.44	6.24	6.66	5.34	6.43	9.42
8. Children Education Allowance	4.05	5.00	2.76	2.90	12.38	10.13	10.54	10.77	10.11	9.17	14.59
9. Reimbursement of Tuition Fee	2.08	2.10	1.81	2.46	8.12	9.12	9.09	9.83	10.31	14.65	25.32
10. Reimbursement of Medical charges	18.65	20.27	21.25	27.53	24.86	30.40	32.50	38.23	48.61	62.64	15.15
11. Leave Travel Concession	23.49	27.35	42.26	27.35	32.76	39.08	61.75	52.95	67.32	82.51	14.54
12. Other Compensatory Allowance	113.90	123.82	152.32	155.37	158.76	281.07	290.85	328.75	409.07	403.94	15.93
Sub-total- (ii) (4 to 12)	539.33	586.26	747.07	1,075.63	1,193.03	1,367.05	1,426.36	1,444.66	1,611.63	1,758.21	14.72
Total (i)+(ii)	4,646.36	5,262.08	5,914.08	6,945.44	7,836.12	8,767.50	9,687.99	10,744.97	12,549.71	14,151.77	13.16
13. Travelling Allowance	164.98	180.15	186.17	253.58	293.51	276.12	338.63	368.55	471.56	556.27	16.84
14. Grand Total	4,811.34	5,442.23	6,100.25	7,209.02	8,129.63	9,043.62	10,026.62	11,110.92	13,021.33	14,708.04	13.28

Note: 1. This does not include the expenditure incurred on pay and allowances of employees of the Indian Missions abroad and that of Union Territory Administrations.

2. This does not include the expenditure incurred on Productivity Linked Bonus/Adhoc Bonus, Honorarium and Encashment of Earned Leave.

Source: Brochure on Pay and allowances of Central Govt. Civilian Employees.
Pay Research Unit, Min. of Finance.

**Trends in Total Expenditure on Pay and Allowances of
Defence Forces**

(Rs. crores)				
Year	Total Defence incl. Civil Employees	Defence Civil Employees	Defence Forces (col.2-3)	Rate of growth (%) over previous year
1.	2.	3.	4.	5.
1984-85	2,418.18	730.65	1,687.53	
1985-86	2,745.83	829.92	1,915.91	13.53
1986-87	3,436.87	830.97	2,605.90	36.01
1987-88	4,087.90	965.26	3,102.64	19.06
1988-89	4,504.65	1,171.47	3,333.38	7.44
1989-90	4,918.00	1,305.92	3,612.08	8.36
1990-91	5,094.34	1,463.92	3,610.42	-0.05
1991-92	5,626.38	1,589.19	4,037.19	11.62
1992-93	6,337.48	2,133.07	4,204.41	4.14
1993-94	7,041.75	2,445.34	4,596.41	9.32
Annual compound growth rate (%) 1985-86 to 1993-94.	12.49	14.46	11.56	

Source: 1. Pay Cell, Ministry of Defence.

2. Pay Research Unit, Ministry of Finance.

Trend in Expenditure on Pay and allowances of Central Government
Civilian Employees as Percentage of Revenue Receipts, Revenue
Expenditure and Gross Domestic Product

(RS Crores)

Year	Expenditure on pay & allowances	Central Govt. Revenue Receipts	Central Govt. Revenue Expend.	G.D.P. at factor cost (at current prices)	Total Exd. on Salaries as percentage of		
					Revenue Receipts	Revenue Expend.	G.D.P.
1.	2.	3.	4.	5.	6.	7.	8.
1960-61	417.00	1287	1246	15254	32.2	33.5	2.7
1965-66	754.00	3022	2703	24063	25.0	27.9	3.1
1970-71	1186.00	4354	4191	39708	27.2	28.3	3.0
1975-76	1886.00	8075	7188	71201	23.4	26.2	2.6
1980-81	2751.11	11337	14410	122421	23.0	19.1	2.2
1985-86	5422.23	28035	33924	233799	19.3	16.0	2.3
1986-87	6160.25	33083	40860	260030	18.4	14.9	2.3
1987-88	7203.02	37037	46174	294851	15.5	15.6	2.4
1988-89	6129.63	43531	54106	352703	18.6	15.0	2.3
1989-90	3043.62	52235	64210	408662	17.3	14.1	2.2
1990-91	16026.62	54554	73516	477137	18.2	13.6	2.1
1991-92	11110.32	68031	62291	552030	16.8	13.5	2.0
1992-93	13021.13	74128	92702	627634	17.6	14.0	2.1
1993-94	14706.04	75453	106169	707145	19.5	13.6	2.1

Annual compound

GR (%) between

1985-86 & 1993-94 13.28 13.17 15.60 14.84

Note: * This includes HRA, CCA, OTA, CHCA, Children Education allowance, Reimbursement of medical charges and tuition fees, LTC, Travelling allowance and other consensatory allowance but does not include the expenditure incurred on pay and allowances of employees of the Indian Missions abroad and that of Union territories or the expenditure incurred on on productivity linked bonus/ad-hoc bonus, Honarium and encashment of earned leave.

Source: 1. Brochure on Pay and Allowances of Central Govt. Employees
Ministry of Finance.

2. Budget Documents of the Central Government.

Comparison with Public Sector

General Introduction

The demands made by the staff side - the demand for parity.

36.1 The staff side of the National JCM have strongly urged that fair comparisons with public sector undertakings may be recognised as a legitimate principle of pay fixation. The demand for fair comparisons derives its thrust from the doctrine of equal pay for equal work as enshrined in the Constitution of India. The staff side have confined themselves to a comparison with the Public Sector Undertakings as the sole basis for fixation of Government salaries. It has been argued that the Central Government employees were up to the Second CPC at an advantage compared to their counterparts in the Public Sector and it is only since 1958-59 that wages of Central Government employees have started lagging behind. The wage agreements in all public sector undertakings are governed by the directives issued by the Department of Public Enterprises as the Government of India is the majority shareholder in these undertakings. It is, therefore, the obligation of the Government to remunerate its employees, a majority of whom are also industrial workers, at rates which it by itself laid down for its public sector employees. Underlying the staff side's plea for fair comparison is their demand for absolute parity with Public Sector employees at the lowest levels.

Our recognition of the need to maintain a fair relativity but not parity.

36.2 At this point we wish to clarify that our terms of reference do not explicitly require us to study the pay structure and service conditions of public sector undertakings. We have included this chapter in the report to confirm that the issues raised by the staff side have been most seriously examined by us. **We generally accept fair comparison as an essential principle of pay fixation and also concede that there is a need to maintain fair relativities vis-a-vis non-governmental sectors, be it the public sector or the private sector.**

Why we cannot concede parity

36.3 The demand for parity with the Public Sector is however, difficult to concede as we feel that the job content and conditions of service in the Government and public sector are not necessarily the same. There are essential differences between the two sectors. Most PSUs have been set up with a

multiplicity of objectives, the commercial objective being the most prominent amongst them. The government on the other hand provides fiduciary services on a no-profit-no-loss basis. In this classical domain, commercial criteria cannot be easily applied, although cost effectiveness in providing services has to be taken into consideration. The type and the scale of duties and responsibilities attached to posts in government, are without parallel outside. Even fair comparisons are rendered difficult because of the heterogeneity in the pay structure across the Public Sector Undertakings. This is widely different and not at all homogeneous especially at the level of the non executives. It is also expected, that with the latest orders linking wage revisions to productivity and permitting wage negotiations at the enterprise level, these differences within the public sector itself are likely to widen, depending on the level of productivity achieved in different segments and their commercial proficiency.

Our methodology

36.4 In spite of the above mentioned factors, we have tried to identify some broadly comparable posts and common categories within the public sector and the Government. A detailed questionnaire was circulated to all Public Sector Undertakings eliciting information on these categories. 65 undertakings responded but only 29 responses provided full information. Of these, 14 were from profit making undertakings and 15 from those suffering losses. Simultaneously Management Development Institute, Gurgaon was also engaged to carry out a study on this subject.

Broad Observations

Public Sector -the definition

36.5 The public sector has varied connotations depending on the context in which it is used. When defined most liberally, it could include all activities funded out of the Government budget including public administration, defence, departmental undertakings like Railways, Posts and Telecom, all statutory corporations and companies at the Centre and the States. The public enterprises survey refers to the non-departmental undertakings at the centre as public sector enterprises and excludes banking units from the definition. The Central Government employees have referred to all non-departmental undertakings as well as banks as public sector enterprises. We too for the purpose of our enquiry propose to interpret the expression "public sector enterprises" to include all non departmental undertakings at the centre including banks.

Size of the Public Sector

36.6 We observe that the public sector is important both in terms of the size of manpower employed in it and the size of capital invested. According to the public enterprises survey, there were 245 public enterprises (excluding banks) at the Centre in 1992-93 and the capital employed by these enterprises was of the order of Rs.1,46,971.10 crores. The number of regular employees employed by these enterprises stood at 21.37 lakhs. As compared to this, the number of enterprises at the centre in 1984-85 stood at 207, the capital employed was Rs.36,000 crores and labour employed 21.1 lakhs. Thus it is observed that while the number of public enterprises has increased by 48 units in the intervening period and capital employed has gone up by four times, the labour employed in the public sector has shown only a marginal increase.

Variation in pay scales even amongst the same category across PSU

36.7 A great variation in the pay scales even amongst the same category of employees across PSUs is observed (See Annexure 36.1, 36.2 and 36.3). This variation in pay scales across the PSUs can either be explained by the difference in the date of last pay revision, or the schedule classification of the enterprises, or the hierarchy at the various levels of a PSU. In certain enterprises like Hindustan Salts Limited, Hindustan Steel Works Constructions, IRCON, National Seeds Corporation etc., we observe the existence of two pay scales for the same category of employee depending on whether the employee has opted for the Central Dearness Allowance (CDA) or the Industrial Dearness Allowance (IDA). The co-existence of two pay structures for the same category of employees is an outcome of the practice of taking deputationists from the Centre. We also observe that in Bharat Electronics Limited, Hindustan Aeronautics Limited and Indian Telephone Industries there exist open-ended pay scales as against the close-ended pay scales in Central Government and other PSUs. Open-ended pay scales have no problems of stagnation associated with them and are characteristic of organisations where performance is rewarded.

Pay scales at the lowest and the highest levels

36.8 Large disparities are observed to exist in the total emoluments of the employees serving in the Public Sector and Government of India. At the lower levels, in a large number of PSEs, the total emoluments drawn by the category of peons/messengers is more than that drawn by the peon in Central Government (see Annexure 36.1). At the higher levels say the entry grade officers or the highest functionary, the Central Government Employees are seen to have an edge over the Public Sector employees as on 1.1.95 (See Annexure 36.2, 36.3 and 36.4). At the lower levels the disparities are caused primarily by the higher basic pay given by the Public Sector Undertakings. This is a result of the frequency of wage revisions in Public Sector Enterprises as well as the fact that the IDA prior to July 95 in PSEs was more lucrative than the CDA in Government at the lower levels. The total emoluments at the higher levels are found to be higher in Government primarily because the CDA formula adopted by the Government is more favourable to the employees at the top than the IDA formula adopted in PSEs. This is because compensation for price increase under CDA is linked not just to the Consumer Price Index but also to the pay, unlike in IDA. At this point it may be clarified that while this was the position as on 1.1.95, by a recent order No.2(50)/86-DPE(WC), dated 19 July, 1995, the Dearness Allowance formula in PSEs has also been linked to CPI as well as to pay in similar fashion as in the Central Government w.e.f. 1.4.92. This has reduced the edge the Central Government employees enjoyed at the higher levels. Additionally, it may be mentioned that even before this change in the Industrial DA was effected in the PSEs, the "unlimited" entertainment allowance available to the CEOs in PSEs more than compensated for the disadvantage in the dearness allowance and gave him a relative advantage in terms of his total pay packet. This observation is fully substantiated by the MDI study which has reported that the CEOs in PSEs are entitled to several allowances like club membership allowance, credit card allowance, guest entertainment allowance etc. not available to Secretaries in Government of India. The study after quantifying the non-monetized perks has found that while a CEO in the public sector costs Rs 57,262 per month on an average, a Secretary to Government of India costs Rs 44,817 per month.

Frequency of pay revisions

36.9 We observe that the pay revisions in the public sector are more frequent than that in the Government. Beginning 1973, four wage agreements had been concluded in the public sector and in 1993 the fifth round of wage negotiation

was taken up. Thus within a span of 22 years, five wage agreements were taken up implying thereby a pay revision every four years or so in the Public Sector. In contrast, Pay Commissions in the Central Government are set up only at intervals of 10 to 13 years.

Collective Bargaining

36.10 Wage negotiations in the public sector take place through a system of collective bargaining, unlike the Central Government where wage revisions are based on the recommendations of Pay Commissions. We observe that the date of commencement and expiry of the wage agreements between the executives and the non-executives in each PSE varies (See Annexure 36.4). Such differences in the wage agreements between executives and non-executives also cause problems in matters of pay fixation when the non-executives are promoted to the executive cadre. In the case of workmen, which is the unionised staff under the non-executives, the management of the Central PSEs have vide order No 1(3)/86-DPE(WC) dated 12.4.93 and 17.1.94 now been given full autonomy to enter into wage negotiations subject to the proviso that there is no increase in the labour cost per physical unit of the output, no increase in the budgetary support for meeting the enhanced liability on account of the revised wages and no consequent increase in the administered prices, wherever such pricing exists. In the case of officers, however, DPE with the approval of CCEA issues revised "model" scales of pay corresponding to the existing scales of pay. After issuing the model scales, the Officers' Association is consulted on these pay scales either by the Management or the Government. The Management of the PSEs is then required to adopt the model scales of pay with the approval of the Government. DPE has recently in July, 95 issued the revised scales of pay for the officers. While profit-making PSEs are allowed to adopt these scales of pay straightaway, PSEs making losses in the past 3 years require the approval of the Government, which needs to be satisfied regarding how the additional resources for wage revision are to be generated. In the case of units referred to BIFR, pay revision and grant of other benefits is allowed only if it is decided to revive the unit and the revival package includes the enhanced liability on this account.

Dearness Allowance

36.11 In the public sector, two systems of dearness allowance are prevalent at present, namely, the IDA and the CDA. Banks follow a distinct formula of their own for Dearness Allowance. Out of the 245 Central Public Sector Enterprises (excluding Banks), 197 are on the IDA pattern while 48 continue to be on CDA pattern. Approximately, 95% of the total 22-lakh workforce in all these PSEs are on IDA pattern. The IDA pattern in PSEs used to give DA @ Rs 2 per point increase beyond 800 w.e.f. 1.1.89. However, this position has now come to be changed and vide BPE orders dated 19th July, 1995 and 26th July, 1995 a new DA formula on lines similar to the CDA has been implemented for both executives and non-executives.

36.12 Dearness Allowance in the public sector is now paid for the increase in AICPI above the quarterly index average of 1999 as on 1.1.92, to which the revised pay scales are related. The percentage increase in the AICPI is calculated on the base of 1999 and neutralisation to employees in different pay ranges is made at the following rates -

Pay ranges-Basic pay	Neutralisation percent
----------------------	---------------------------

Up to Rs 3500	100
Rs 3501-Rs.6500	75
Rs 6501-Rs 9500	60
Rs 9500 and above	50

The dearness allowance payable is subject to a minimum of Rs 2 per point shift in the quarterly average beyond 1099 w.e.f. 1.1.92. Thus while Dearness Allowance was earlier linked only to pay in PSEs, it is now linked to both the increase in AICPI as well as pay on the Government pattern.

*City
Compensatory
Allowance.*

36.13 We observe from the latest orders on CCA that PSU employees on IDA pattern are paid CCA at rates varying between 6% of the basic pay subject to maximum of Rs 100 in A class cities to 4.5% and 3.5% of basic pay subject to maximum of Rs 75 and Rs 25 in B1 and B2 cities respectively. The payment of City Compensatory Allowances in the enterprises on CDA pattern is the same as that in Central Government and is found to vary between Rs 20 and Rs 100. CCA in Central Government is, however, paid as a lump sum and not as a percentage of the basic (See Annexure 36.5)

*House Rent
Allowance.*

36.14 As per the latest orders of DPE, House Rent Allowance in the Public Sector Undertakings is payable at 30% of the basic pay in Mumbai and Delhi. In other places i.e. other A, B1, B2 and C class cities or unclassified areas, the amount of HRA payable is 25%, 15% and 10% of basic pay respectively. These rates are in the nature of ceilings. Payment of HRA at these rates is subject to the proviso that the employee himself bears 10% of basic pay towards the cost of the house. In addition, production of a rent receipt from the landlord or valuation certificate issued by the Municipal Authority is also necessary. The ceilings for payment of HRA in PSEs without production of rent receipt, for executives and non-unionised supervisors on IDA and CDA patterns are as follows:-

City	IDA pay scale	CDA pay scale
Delhi, Mumbai	Rs 1500 p.m.	Rs 1250 p.m.
Other A' class cities	Rs 1500 p.m.	Rs 1000 p.m.
B1, B2 class cities	Rs 750 p.m.	Rs 340 p.m.
Unclassified areas	Rs 450 p.m.	Rs 310 p.m.

The HRA rates existing in the Central Government at present in A Class cities.

on the other hand, are found to vary between Rs 150 and Rs 1000 and thus are not as attractive as the PSUs

*Hill
Compensatory
Allowance*

36.15 We observe that Hill Compensatory Allowance (HCA) is paid only in a few PSEs. It also varies across the public sector enterprises. In certain Oil companies like HPCL and IOC, both Hill Compensatory Allowance and Winter Allowance is paid for a period of 6 months @ Rs 400 per month for officers and Rs 200 per month for non-officers. In banks like Indian Overseas Bank, State Bank of Hyderabad and LIC, HCA is paid as a percentage of the basic pay and varies according to height between Rs.110 at the lowest level to Rs.600 at the highest level. In Central Government this allowance varies between Rs.50 at the lowest level and Rs.150 at the highest level. Thus HCA as payable in certain Oil companies and Banks is more attractive than in the Central Government as on 1.1.95 (See Annexe 36.6).

Medical Benefits

36.16 The major PSEs like BHEL, SAIL, NTPC AND Oil Group of Companies maintain their own dispensaries and hospitals for treatment of their employees and dependents. In other Undertakings, employees avail themselves of the services of ESI hospitals. The enterprises which neither have their own dispensary/hospital nor are covered by the ESI provide for reimbursement of medical expenses subject to certain limits. For domiciliary treatment, employees are allowed reimbursement of actual expenses subject to a ceiling of one month's salary, comprising of basic pay and dearness allowance. In the case of hospitalisation, reimbursement of actual expenses incurred for treatment from a hospital recognised by the enterprise concerned, is permitted. However, reimbursement is restricted to the rates prescribed by the All India Institute of Medical Science, New Delhi when treatment is availed from hospitals other than those recognised by the enterprise concerned.

*Age of
Superannuation*

36.17 The age of superannuation for all categories of employees in most of the undertakings is 58 years. However, in some of the enterprises like India Trade Promotion Organisation, Food Corporation of India, Nuclear Power Corporation of India, Rural Electrification Corporation Limited, Mahanadi Coal Fields the age of superannuation is 58 years for Group 'A', 'B' and 'C' employees and 60 years for Group 'D' employees as is the case for Central Government employees.

*Death-cum-
Retirement
Gratuity*

36.18 Gratuity is payable to an employee on his superannuation or on death. The rate of fifteen days wages for each completed year of service is found to be fairly uniform across PSUs for retirement gratuity. Similarly, the eligibility limit in terms of minimum years of service required as well as the ceiling on retirement gratuity is fairly uniform and is fixed at 5 years and 1-lakh in most PSEs. In Government however, the ceiling on retirement gratuity has been recently increased to Rs.2.5 lakhs. Similarly, the eligibility, as well as the rate of death of gratuity is fairly uniform across the PSUs as well as government. (See Annexe 36.7).

Provident Fund

36.19 Some variation across PSEs is also noticed in the employee's and employer's contribution to the provident fund. The contributions from the employer and employee are observed to vary between 8 1/3% of pay to 10% of pay. Pay is variously interpreted to include fixed DA and/or variable DA. (See Annexe 36.8).

*Voluntary
Retirement
Scheme*

36.20 A Model Voluntary Retirement Scheme for the Public Sector employees was notified by Government of India on 5th October, 1988 with the primary objective of pruning surplus manpower and to ensure optimisation of labour use in the various PSUs. In general, regular employees of Central PSUs who have completed at least ten years of service or have attained 40 years of age are eligible to seek voluntary retirement. Benefits accruing to employees under the scheme include ex-gratia payment equivalent to 1 ½ months' emoluments (basic+DA) for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less. The other statutory benefits such as provident fund, gratuity and encashment of leave as per entitlement under the rules would also be admissible to employees seeking voluntary retirement. Some of the enterprises also meet travelling expenses for the employee and his family as per the entitled class to the place where he intends to settle down. Finally, it is the management of the concerned PSU which enjoys the discretion whether to grant voluntary retirement or not. As per the available information 1,76,954 employees opted for voluntary retirement till 31.3.95 since the inception of the scheme in 1988. In Government however, one needs to have served for at least 20 years to be eligible for voluntary retirement.

Promotion

36.21 There is no uniformity in the promotion policy across the various PSUs. Promotion policy is observed to differ across grades and categories of employees. While in some grades/enterprises, seniority-cum-merit is followed as a criterion for time-bound promotions or promotion to vacancy-related posts, in others selection or fast track promotions are favoured to reward and motivate employees for outstanding performance. In general, performance of the employees is evaluated on the basis of annual confidential reports as in the case of the Central Government.

CONCLUSION

36.22 In conclusion it must be reiterated that we cannot concede the principle of parity as between Government and the public sector. Making a fair comparison, we have tried to bring about a certain change in the relativity, in order to improve the condition of Central Government Employees. These measures include the following

- a). In order to ensure that Central Government Employees do not suffer from increase in cost of living due to non-revision of salaries for a decade or more, we have suggested a permanent pay body which would recommend annual revision of salaries. Alternatively, we have recommended a fixed 10 year period for the application of the recommendations of successive pay bodies. In that case, it has also been suggested that there should be a conversion of DA into Dearness Pay which should be counted for all purposes every time the cost of living index goes up by 50%.
- b) HRA has been changed to a percentage basis. In A-1 cities it will now be 30% of the maximum of the scale.

- c) **Gratuity will be calculated on the Basic Pay and DA on the date of an individual's retirement**
- d) **Uniforms have been abolished for most of the Group D employees and they have been awarded an attire allowance of Rs.100 instead.**

*Need for National
Wage Policy* 36-23

With the loosening of controls over the public sector, Government may no longer be able to maintain a tight control over the compensation packages of the PSEs who have now been allowed to negotiate separate pay-scales with their unions. **This, however, underlines the need for a national wage policy, so as to ensure a broad measure of uniformity across the various sectors of the economy.**



**PAY SCALE IN SELECTED PUBLIC SECTOR UNDERTAKINGS AT THE MINIMUM OF THE SCALE
I.E. PEON/MESSENGER ETC. AS ON 1.1.1995**

1. Undertaking	Net Profit / Net Loss 1992-93 (Rs. crores)	As on	Pay scale (Rs.)	Total Emoluments as on 1.1.1995 (Rs.)										Remarks
				Basic	FDA	VDA	HRA	CCA	Bonus	Others	Total			
1. Air India Ltd.	333.14	1.10.85	1080-15-1245-20-1305-25-1330-30-1360	1,080	..	1,563	462	R2	500	..	3,687	..	13.	Pay Scales due for revision w.e.f. 1.9.1990
2. Bharat Electronics Ltd.	30.93	1.1.92	1880/- (open ended with rate of increment @ 2% p.a.)	1,880	..	712	470	100	..	..	3,162	..	..	..
3. Bharat Aluminium Co. Ltd.	1.86	1.4.89	1350-20-1650	1,350	200	1,164	405	81	500	..	3,700	..	..	..
4. Bharat Heavy Electricals Ltd.	133.16	1.9.86	1086-20-1386	1,086	200	1,463	109	..	..	..	2,858	..	..	..
5. Bharat Yatra Nigam Ltd.	N.A.	1.1.87	1112-20-1412 (unclassified labourer) 1142-23-1556 (Peon)	1,112	200	1,431	167	50	..	..	2,960	..	..	Pay Scales due for revision w.e.f. 1.1.1992
6. Bongaigaon Refinery and Petro Chemicals Ltd.	29.01	1.7.88	1040-20-1200-25-1425-30-1665	1,040	140	1,532	141	..	320	..	3,163	..	..	Pay Scales due for revision w.e.f. 1.1.1992
7. Cement Corporation of India	(-) 52.08	1.1.89	1035-20-1235-22-1345	1,035	102	1,444	311	62	..	..	2,954	..	..	Pay Scales due for revision w.e.f. 1.1.1992
8. Cochin Shipyard Ltd.	(-) 7.95	1.4.88	1200-20-1300-22-1520	1,200	200	1,335	180	75	..	..	2,990	..	..	..
9. Dredging Corporation of India Ltd.	14.88	1.4.89	1320-20-1400-25-1750	1,320	175	1,199	231	59	..	50 (canteen subsidy)	3,034	..	..	Pay Scales due for revision w.e.f. 1.2.1993

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
10. Delhi Transport Corporation	(-)246.22	1.1.86	775-12-985-EB-14-1025 (CDA scales)	775	-	969	150	30	-	100 (IR)	2,024	-
11. Engineers India Ltd.	29.35	1.1.92	2100-25-2100-35-2510-45-2960-60-3020	2,100	-	710	630	100	-	-	3,540	-
12. Ferro Scrap Nigam Ltd.	8.47		1350-20-1630	1,350	200	1,214	75	20	275	-	3,134	-
13. Fertilizer Corporation of India Ltd.	(-)225.98	1.1.87	1100-40-1400	1,100	141	1,408	330	66	22	-	3,352	Pay Scales due for revision w.e.f. 1.1.1992
14. Food Corporation of India Ltd.	1.68	1.8.87	1230-35-1440-45-1755 (IDA) 800-15-1010-20-1150 (CDA)	1,230	120	1,364	369	74	-	-	3,15	Pay Scales due for revision w.e.f. 1.2.1992
15. Garden Reach Ship Builders and Engineers Ltd.	23.35		1100-20-1260-23-1490	1,100	316	1,204	275	66	-	-	2,091	-
16. Hindustan Aeronautics Ltd.	52.34	1.1.92	1880/- (open ended with rate of increase of 2% p.a.)	1,880	-	660	470	100	-	-	3,110	-
17. Hindustan Fertilizer Corporation Ltd.	(-)349.45	1.1.89	1100-20-1400	1,100	141	1,408	330	66	-	-	3,125	-
18. Hindustan Soda Ltd.	(-)80.11	1.1.89	750-12-870-14-940 (IDA) 750-12-870-EB-14-940 (CDA)	750	-	1,444	113	30	-	-	2,337	-
19. Hindustan Shipyard Ltd.	(-)113.95	1.2.90	1400-20-1760 (Unskilled labourer) 1430-25-1655-30-1985 (Pena)	1,400	300	1,123	210	63	-	-	3,096	-
20. Hindustan Steel Works Construction Co. Ltd.	(-)75.74	1.1.86	750-12-870-14-940 (CDA) 1035-1345 (IDA)	1,035	-	855	113	20	133	-	1,871	-
							155	20	133	-	2,008	-

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
21. Indian Railway Construction Co. Ltd.	17.40	1.1.87	650-15-905 (IDA) 750-12-870-FR 14-940 (CIDA)	650 750	..	1.444 938	195 225	30 30	320	..	2.639 1.943	..
22. Indian Telephone Industries	85.89	1.1.92	2100-30 (open ended)	2,100	90	712	525	100	..	..	3.527	..
23. Life Insurance Corporation of India	..	1.8.87	815-25-840-35-1260- 40-1380-45-1470-50- 1520	815	..	1.092	82	57	240	..	2.286	..
24. Mangalore Ore (India) Ltd.	10.49	1.1.89	1030-17-1387	1,030	100	1,240	258	62	..	..	2.690	Pay Scales due for revision w.e.f. 1.8.1992
25. Nira Trading Corporation of India Ltd.	(-38.21)	1.11.87	1350-10-1420-15- 1495-20-1615	1,350	100	1,311	338	75	..	..	3,174	..
26. Mineral Exploration Corporation Ltd.	(-10.34)	1.1.92	1125-20-1425	1,125	265	1,337	150	68	..	..	2,945	..
27. National Seeds Corporation Ltd.	(-55.87)	1.1.86	750-12-870-FR 14-940 (CIDA) 1035-20-1235-22 1345 (IDA)	750 1,035	..	938 1,444	150 311	35 62	..	100 (IR)	1,973 2,954	..
28. Rail India Technical and Economic Services Ltd.	8.20	1.1.92	650-905	650	..	656	195	30	261	..	1,202	..
29. Projects & Equipment Corporation of India Ltd.	0.33	1.11.87	1100-10-1170	1,100	100	1,311	330	88	..	..	2,929	Pay Scales due for revision w.e.f. 1.1.1.1992
30. Government of India	..	1.1.86	750-12-870-14-940	750	..	938	150	35	136	100 (IR)	2,109	..

Source: Data collected by the Fifth Central Pay Commission.

**PAY SCALES IN SELECTED PUBLIC SECTOR UNDERTAKINGS AT THE MINIMUM OF THE SCALE
FOR ENTRY GRADE OFFICERS AS ON 1.1.1995**

Undertaking	Net Profit /Net Loss 1992-93 (Rs crores)	As on	Pay Scale (Rs.)	Total Emoluments as on 1.1.1995 (Rs.)							Remarks	
				Basic	FDA	VDA	HRA	CCA	Bonus	Others		Total
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1. Air India Ltd.	333.14	1. 1.87	2005-50-2105-60-2825-70-2965	2,005	..	1,563	872	100	525	..	5,065	Pay Scales due for revision w.e.f. 1.1.1992
2. Bharat Electronics Ltd.	30.93	1. 1.87	2200-180-3600	2,200	..	1,447	550	100	..	..	4,297	Pay Scales due for revision w.e.f. 1.1.1992
3. Bharat Aluminium Co. Ltd.	1.86	1. 1.89	2500-120-4300	2,500	..	1,444	750	100	..	..	4,794	
4. Bharat Heavy Electricals Ltd.	133.16	1. 9.86	2500-120-4300	2,500	250	1,444	..	..	..	..	4,194	
5. Bharat Yantra Nigam Ltd.	N.A.	1. 1.87	2500-120-4300	2,500	..	1,444	375	75	..	..	4,394	Pay Scales due for revision w.e.f. 1.1.1992
6. Bongaipon Refinery and Petro Chemicals Ltd.	29.01	1. 1.89	2500-120-4300-130-4820 (IDA) 2200-75-2800-EB-100-4000 (CTA)	2,500	..	1,444	250	..	320	..	4,514	Pay Scales due for revision w.e.f. 1.1.1992
7. Cement Corporation of India	(-) 52.08	1. 1.89	2500-120-4300	2,500	..	1,444	750	100	..	..	4,794	Pay Scales due for revision w.e.f. 1.1.1992
8. Cochin Shipyard Ltd.	(-) 7.95	1. 4.88	2400-100-3000-120-4320	2,400	..	1,444	360	75	..	..	4,279	
9. Dredging Corporation of India Ltd.	14.88	1. 1.87	2400-120-4320	2,400	..	1,444	360	75	..	50 (canteen subsidy)	4,329	Pay Scales due for revision w.e.f. 1.1.1992

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
10. Delhi Transport Corporation	(-1246.22	1. 1.86	2200-75-2800-EB-100-6000	2,200	..	2,750	450	100	..	100 (IR)	5,600	..
11. Engineers India Ltd.	29.35	1. 1.89	2350-100-4150 (IDA)	2,350	..	1,444	705	100	..	500	5,099	Pay Scales (IDA) due for revision w.e.f. 1.1.1992
	1. 1.86	1. 1.86	2000-60-2300-75-3200 (CDA)	2,000	..	2,500	600	100	..	100	5,300	
12. Ferro Scrap Nigam Ltd.	8.47		2300-100-3600	2,200	..	1,444	320	100	500	..	4,664	..
13. Fertilizer Corporation of India Ltd.	(-1225.98	1. 1.87	2400-100-3000-120-4320 (IDA)	2,400	..	1,444	720	100	..	..	4,664	..
14. Food Corporation of India Ltd.	1.68	1. 1.87	2500-120-4300 (IDA)	2,500	..	1,444	750	100	..	..	4,794	Pay Scales due for revision w.e.f. 1.1.1992
	1. 1.86	1. 1.86	2200-75-2800-100-4000 (CDA)	2,200	..	2,750	660	100	..	..	5,710	
15. Garden Reach Ship Builders and Engineers Ltd.	23.35	..	2200-100-3600	2,200	..	1,444	550	100	..	..	4,294	..
16. Hindustan Aeronautics Ltd.	52.34	1. 1.87	2200-100-3600	2,200	..	1,444	550	100	..	..	4,294	Pay Scales due for revision w.e.f. 1.1.1992
17. Hindustan Fertilizer Corporation Ltd.	(-1349.45	1. 1.87	2400-100-3000-120-4320	2,400	..	1,444	720	100	..	..	4,664	..
18. Hindustan Salts Ltd.	(-90.11	1. 1.89	2400-120-4320 (IDA)	2,400	..	1,444	360	100	..	..	4,304	..
			2200-75-2800-EB-100-4000 (CDA)	2,200	..	2,750	330	100	..	..	5,300	
19. Hindustan Shipyard Ltd.	(-1113.95	1. 1.87	2400-100-3000-120-4320	2,400	..	1,444	360	75	..	..	4,279	Pay Scales due for revision w.e.f. 1.1.1992
20. Hindustan Steel Works Construction Co. Ltd.	(-775.74	1. 1.86	2200-4000 (CDA)	2,200	..	2,750	330	20	..	..	5,300	..
			2400-4320 (IDA)	2,400	..	1,444	360	20	..	..	4,224	
21. Indian Railway Construction Co. Ltd.	17.40	1. 1.87	2400-120-4320 (IDA)	2,400	..	1,444	720	100	..	..	4,664	..
		1. 1.86	2200-75-2800-EB-100-6000 (CDA)	2,200	..	2,750	660	100	..	..	5,710	

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
22. Indian Telephone Industries	85.89	1.1.87	2500-120-4300	2,500	..	1,444	625	100	..	..	4,669	Pay Scales under revision
23. Life Insurance Corporation of India		1.8.87	2100-120-4260	2,100	..	2,814	263	147	..	..	5,324	..
24. Mangalore Ore (India) Ltd.	10.49	1.1.89	2200-100-3600	2,200	..	1,358	550	100	..	..	4,208	Pay Scales due for revision w.e.f. 1.1.1992
		1.1.86	2000-60-2300-EB-75-3200-100-3500	2,000	..	2,500	625	100	..	..	5,225	..
25. Mica Trading Corporation of India Ltd.	108.21	1.1.87	2450-120-4370	2,450	..	1,444	368	75	..	..	4,337	..
26. Mineral Exploration Corporation Ltd.	1010.34	1.1.89	2200-100-3600 (IDA) 2000-3500 (CDA)	2,200 2,000	..	1,444 (1.7.94)	550 500	100 100	..	..	4,294 4,880	..
27. National Seeds Corporation Ltd.	105.87	1.1.86	2200-75-2800-EB-100-4000 (CDA) 2400-120-4320 (IDA)	2,200 2,400	..	2,750 1,444	450 720	100 100	..	100 (IR)	5,600 4,766	..
28. Rail India Technical and Economic Services Ltd.	8.20	1.1.92	3500-150-6200	3,500	..	1,050	1,850	100	..	..	5,700	Revised w.e.f. 19.7.95
29. Projects & Equipment Corporation of India Ltd.	0.33	1.1.87	2450-120-4370 (IDA)	2,450	..	1,444	735	100	..	..	4,729	Pay Scales due for revision w.e.f. 1.1.1992
30. Government of India	..	1.1.86	2200-75-2800-EB-100-4000	2,200	..	2,750	450	100	..	100 (IR)	5,600	..

Source: Data collected by the Fifth Central Pay Commission.

Pay Scales in selected Public Sector Undertakings at the minimum of the Scale for the Highest Functionary as on 1.1.1995

Undertaking	Designation	Pay Scale (Rs.)	Total Emoluments as on 1.1.1995 (Rs.)										Remarks
			As on	Basic	FDA	VDA	HRA	CCA	Bonus	Others	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1. Air India Ltd.	Managing Director	13500-500-15000	<	<	<	<	Not Available	<	<	<	<	<	
2. Bharat Electronics Ltd.													
3. Bharat Aluminium Co. Ltd.		1. 1.89	7250-200-8250 (IDA) 5900-200-6700 (CDA)	<	<	<	Not Available	<	<	<	<	<	
4. Bharat Heavy Electricals Ltd.	Chairman & Managing Director	9.86	9000-250-10000	9,000	500	1,444					11,344		
5. Bharat Vantara Nigam Ltd.	General Manager	1. 1.87	7250-200-8250	7,250	1,444		1,000	75			9,769	Pay Scales due for revision w.e.f. 1.1.1992	
6. Bongaion Refinery and Petro Chemicals Ltd.	General Manager (Function)	1. 1.86	7250-200-8250 (IDA) 5900-200-6700 (CDA)	7,250 5,900								Pay Scales due for revision w.e.f. 1.1.1992	
7. Cement Corporation of India	Executive Director	1. 1.89	7250-200-8250	7,250								Pay Scales due for revision w.e.f. 1.1.1992	
8. Dredging Corporation of India Ltd.	General Manager	1. 4.89	6250-175-7475	6,250	1,444		938	75			8,707	Pay Scales due for revision w.e.f. 1.1.1992	
9. Delhi Transport Corporation	Chief General Manager	1. 1.86	4500-150-5700	<	<	<	Not Available	<	<	<	<	<	

1	2	3	4	5	6	7	8	9	10	11	12	13
10. Engineers India Ltd.	Executive Director	1. 1.89	8250-200-9250 (IDA)	8,250								Pay Scales due for revision w.e.f. 1.1.1992
11. Ferro Scrap Nigam Ltd	General Manager		6250-175-7475	6,250								
12. Fertilizer Corporation of India Ltd.	Chairman & Managing Director	1.87	8500-200-9500	8,500								
13. Food Corporation of India Ltd.	Executive Director Zonal Manager	1.87	7250-200-8250	7,250	1,444	1,000	100				9,794	Pay Scales due for revision w.e.f. 1.1.1992
14. Garden Reach Ship Builders and Engineers Ltd.	Chief General Manager		7250-200-8250	7,250								
15. Hindustan Aeronautics Ltd.	Chairman		9000-45000	9,000	1,444	1,000	100				11,544	
16. Hindustan Fertilizer Corporation Ltd.	Chairman & Managing Director	1.87	8500-200-9500 (IDA)	8,500	6,885	1,000	100				16,485	
17. Hindustan Salt Ltd.	Group General Manager	1.89 1.86	6250-175-7475 (IDA) 5100-150-5700- 200-6300 (CTDA)	6,250 5,100								
18. Hindustan Shipyard Ltd.	Chairman & Managing Director	1.87	8500-200-9500	8,500								Pay Scales due for revision w.e.f. 1.1.1992
19. Indian Railway Construction Co. Ltd.	Group General Manager	1.87 1.86	7250-200-8250 5900-200-6700	7,250 5,900								
20. Indian Telephon Industries	Executive Director	1.87	8250-200-9250	8,250								Pay Scales under revision

2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
21. Life Insurance Corporation of India	1. 1.86	7500-125-8000	<-----Not Available----->								
22. Mangalore Dye (India) Ltd.	1. 1.89 1. 1.86	6250-175-7475 (IDA) 5100-150-5700- 200-4300 (CIDA)	6,250 5,100	1,358	1,000	100	..	..	..	8,708	Pay Scales due for revision w.e.f. 1.1.1992
23. Mica Trading Corporation of India Ltd.	1. 1.87	5200-160-6000- 175-6875	5,200	1,444	780	75	..	..	..	7,499	..
24. Mineral Exploration Corporation Ltd.	1. 1.89	7250-200-8250	<-----Not Available----->								
25. National Seeds Corporation Ltd.	1. 1.86 1. 1.89	4500-150-5700 (CIDA) 5550-165-4870 (IDA)	4,500 5,550	4,375 1,444	1,000 1,000	100 100	..	..	100 (IR)	10,075 8,084	..
26. Rail India Technical and Economic Services Ltd.	1. 1.92	12000-400-14000	<-----Not Available----->								
27. Projects & Equipment Corporation of India Ltd.	1. 1.87	8500-200-9500	8,500	1,444	1,000	100	..	..	..	11,044	
28. Government of India	1. 1.86 1. 1.86	9000/- (Fixed) 8000/- (Fixed)	9,000 8,000	7,290 6,480	1,000 1,000	100 100	..	..	100 (IR) 100 (IR)	17,490 15,680	..

Source: Data collected by the Fifth Central Pay Commission.

**TOTAL ENROLLMENTS INCLUDING PAY, PDA, VDA AND IR AT THE
MINIMUM OF THE PAY SCALE FOR SOME COMMON CATEGORIES
IN THE PUBLIC SECTOR AND CENTRAL GOVERNMENT AS ON 1.1.95**

Underlying	Net Profit /Net Loss 1992-93 (Rs crores)	Unskilled Worker	Entry Grade Clerk	Staff Car Driver	Entry Grade Officer	Highest Function- ary	Last Pay Revision	
							Non- Executive	Executive
1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Air India Ltd.	333.14	2,643	2,748	2,748	3,568	N.A.	1 10.1985	1 1 1987
2. Bharat Electronics Ltd.	30.93	2,592	2,767	2,962	3,647	N.A.	1 1 1992	1 1 1987
3. Bharat Aluminium Co. Ltd.	1.86	2,714	2,814	2,814	3,944	N.A.	1 4.1989	1 1 1989
4. Bharat Heavy Electricals Ltd.	133.16	2,749	2,809	N.A.	4,194	11,344	1 9 1986	1 9 1986
5. Bharat Yantra Nigam Ltd.	N.A.	2,743	2,731	2,773	3,944	8,694	1 1 1987	1 1 1987
6. Bongaigaon Refinery and Petro Chemicals Ltd.	29.01	2,702	2,807	2,762	3,944	N.A.	1 7 1988	1 1 1989
7. Cement Corporation of India	(-) 52.08	2,581	2,681	2,681	3,944	N.A.	1 1 1989	1 1 1989
8. Cochin Shipyards Ltd.	(-) 7.95	2,735	2,845	2,845	3,844	N.A.	1 4 1988	1 4 1988
9. Dredging Corporation of India Ltd.	14.88	2,694	2,759	2,709	3,844	7,695	1 4 1989	1 1 1987
10. Delhi Transport Corporation	(-) 246.22	1,844	2,294	2,294	5,050	N.A.	1 1 1986	1 1 1986
11. Engineers India Ltd.	29.35	2,810	3,310	3,185	3,794	N.A.	1 1 1992	1 1 1990
12. Ferro Scrap Nigam Ltd.	8.47	2,764	2,879	2,879	3,644	N.A.		

1.	2.	3.	4.	5.	6.	7.	8.	9.
13.	Fertilizer Corporation of India Ltd. (-1225.98)	2,729	2,864	2,864	3,844	N.A.	1. 1.1987	1. 1.1987
14.	Food Corporation of India Ltd. 1.68	2,714	2,958	2,948	3,943	8,694	1. 8.1987	
15.	Garden Reach Ship Builders and Engineers Ltd. 23.35	2,640	2,725	2,685	3,644	N.A.		
16.	Hindustan Aeronautics Ltd. 52.34	2,540	2,670	2,670	3,644	10,444	1. 1.1992	1. 1.1987
17.	Hindustan Fertilizer Corporation Ltd. (-1349.45)	2,729	2,864	2,979	3,844	15,385	1. 1.1987	1. 1.1987
18.	Hindustan Salts Ltd. (-90.11)	2,194	2,394	2,391	3,844	N.A.	1. 1.1989	1. 1.1989
19.	Hindustan Shipyard Ltd. (-1113.95)	2,823	2,953	2,913	3,844	N.A.	1. 2.1990	1. 1.1987
20.	Hindustan Steel Works Construction Co. Ltd. (-175.74)	2,580	2,680	2,680	3,844	N.A.		
21.	Indian Railway Construction Co. Ltd. 17.40	2,094	2,494	2,494	3,844	N.A.	1. 1.1987	1. 1.1987
22.	Indian Telephone Industries	2,902	3,052	3,052	3,944	N.A.	1. 1.1992	1. 1.1987
23.	Life Insurance Corporation of India 85.89	1,907	2,340	2,176	4,914	N.A.	1. 8.1987	1. 8.1987
24.	Manganese Ore (India) Ltd. 10.49	2,370	2,845	2,510	3,558	7,608	1. 1.1989	1. 1.1989
25.	Mica Trading Corporation of India Ltd. (-18.21)	2,716	2,586	N.A.	3,894	8,644	1. 11.1987	1. 1.1987
26.	Mineral Exploration Corporation Ltd. (-110.34)	2,727	2,797	2,797	3,644	N.A.	1. 1.1992	1. 1.1989
27.	National Seeds Corporation Ltd. (-15.87)	2,581	2,681	2,681	3,946	6,994	1. 1.1989	1. 1.1989

1.	2.	3.	4.	5.	6.	7.	8.	9.
28.	8.20	1,306	1,706	1,706	4,550	N.A.	1.1.1992	1.1.1992
29.	0.33	2,511	2,731	N.A.	3,894	9,944	1.1.1987	1.1.1987
30.		2,539	2,706	2,700	3,931	9,345		
31.		1,788	2,238	2,238	5,050	14,580	1.1.1986	1.1.1986
32.	(751)	(468)	(462)	1,119	5,235			

Source: Data Collected by the Fifth Central Pay Commission.



**RATES OF CITY COMPENSATORY ALLOWANCE IN
SELECTED PUBLIC SECTOR UNDERTAKINGS AND
CENTRAL GOVERNMENT AS ON 1.1.1995**

Undertaking	Type of Scale	City Compensatory Allowance (p.m.) in different class of Cities				
		'A' Class	'B-1' Class	'B-2' Class		
1.	2.	3.	4.	5.		
1. Air India Ltd.		<-----At the rate of 6 % of Basic Pay with max. of Rs. 1000----->				
2. Bharat Aluminium Co. Ltd.		6 % of Basic with max. of Rs. 1000/-	4.5 % of Basic with max. of Rs. 75/-	3.5 % of Basic with max. of Rs. 20/-		
3. Bharat Electronics Ltd.		- do -	- do -	- do -		
4. Bharat Heavy Electricals Ltd.		- do -	- do -	- do -		
5. Bharat Yantra Nigam Ltd.		<-----At the rate of 4.5 % of Basic Pay with max. of Rs. 75/------>				
6. Bongaigaon Refinery and Petro-Chemicals Ltd.		6 % of Basic with max. of Rs. 1000/-	4.5 % of Basic with max. of Rs. 75/-	3.5 % of Basic with max. of Rs. 20/-		
7. Cement Corporation of India Ltd.		- do -	- do -	- do -		
8. Dredging Corporation of India Ltd.		- do -	- do -	- do -		
9. Delhi Transport Corporation		<-----As per Central Government rates ----->				
10. Engineers India Ltd.	IDA	6 % of Basic with max. of Rs. 1000/-	4.5 % of Basic with max. of Rs. 75/-	3.5 % of Basic with max. of Rs. 20/-		
	CDA	1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-	1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-		
11. Engineering Projects India Ltd.		<-----At the rate prescribed by HPCCT/DPE----->				
12. Ferro Scrap Nigam Ltd.		6 % of Basic with max. of Rs. 1000/-	4.5 % of Basic with max. of Rs. 75/-	3.5 % of Basic with max. of Rs. 20/-		

1.	2.	3.	4.	5.
13.	Fertilizer Corporation of India Ltd.	- do -	- do -	- do -
14.	Food Corporation of India Ltd.	IDA	6% of Basic with max. of Rs. 100/-	3.5% of Basic with max. of Rs. 20/-
		CDA	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 20/- 950 - 1499 Rs. 20/- 1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-
15.	Garden Reach Ship Builders and Engineers Ltd.	< -----At the rate of 6 % of Basic Pay with max. of Rs. 100/------ >		
16.	Hindustan Aeronautics Ltd.	6% of Basic with max. of Rs. 100/-	4.5% of Basic with max. of Rs. 75/-	3.5% of Basic with max. of Rs. 20/-
17.	Hindustan Fertilizer Corporation Ltd.	< -----At the rate of 6 % of Basic Pay----- >		
18.	Hindustan Salts Ltd.	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 25/- 950 - 1499 Rs. 35/- 1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-	Below 950 Rs. 20/- 950 - 1499 Rs. 20/- 1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-
19.	Hindustan Shipyard Ltd.	Bombay & New Delhi @ 6% of Basic Pay with maximum of Rs. 100/-	Visakhapatnam @ 4.5% of Basic Pay with maximum of Rs. 75/-	
20.	Hindustan steel Works Construction Co. Ltd.	IDA	6% of Basic with max. of Rs. 100/-	3.5% of Basic with max. of Rs. 20/-
		CDA	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 20/- 950 - 1499 Rs. 20/- 1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-

1.	2.	3.	4.	5.
21.	Indian Petro-Chemicals Corporation Ltd	6% of Basic with max. of Rs.100/-	4.5% of Basic with max. of Rs. 75/-	3.5% of Basic with max. of Rs. 20/-
22.	Indian Overseas Bank	Places in Area -I and in the State of Goa = All Lower Places i.e. population of 5 lakhs = and over		6.5% of Basic with max. of Rs. 220/- 4% of Basic with max. of Rs. 135/-
	Clerical	Places in Area -I and in the State of Goa = All Lower Places i.e. population of 5 lakhs = and over		6.5% of Basic with min. of Rs. 65/- & max. of Rs. 150/- 4% of Basic with min. of Rs. 45/- & max. of Rs. 100/-
	Staff	Places in Area -I and in the State of Goa = All Lower Places i.e. population of 5 lakhs = and over		6.5% of Basic with max. of Rs. 75/- 4% of Basic with max. of Rs. 50/-
23.	Indian Railway Construction Co. Ltd	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 25/- 950 - 1499 Rs. 35/- 1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-	Below 950 Rs. 20/- 950 - 1499 Rs. 27/- 1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-
24.	Indian Telephone Industries	6% of Basic with max. of Rs. 100/-	4.5% of Basic with max. of Rs. 75/-	3.5% of Basic with max. of Rs. 20/-
25.	Life Insurance Corporation of India	Cities with population exceeding 12 lakhs	7% of Basic with maximum For Class - I = Rs. 220/- For Dev. Off. = Rs. 165/- For Class III = Rs. 150/- and IV	
		Cities with population of 5 lakhs and above but not exceeding 12 lakhs	= 4% of Basic with maximum For Class - I = Rs. 135/- For Dev. Off. = Rs. 110/- For Class III = Rs. 100/- and IV	

1.	2.	3.	4.
26	Maharashtra Antibiotics and Pharmaceuticals Ltd	<-----At the rate of 6 % of Basic pay with max. of Rs. 100)----->	
27	Manganese Ore (India) Ltd.	Rs. 100/-	
	Executive at Nagpur/ Delhi		
	Non-Executive at Nagpur/ Delhi	<-----At the rate of 6 % of Basic Pay with max. of Rs. 100)----->	
28.	Mazgaon Dock Ltd.	<-----up to Rs. 1000/- = Rs. 75)-----> <-----Rs. 2000 and above = Rs 100)----->	
29.	Mica Trading Corporation of India Ltd.	6 % of Basic with max. of Rs. 100/-	4.5 % of Basic with maximum of Rs. 75/-
	Officers		
	Staff	8 % of Basic with max. of Rs. 100/-	6 % of Basic with maximum of Rs. 75/-
30	Mineral Exploration Corporation Ltd.	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 20/- 950 - 1499 Rs. 35/- 1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-
31.	National Fertilizers Ltd	<-----As per Central Government rates----->	
32.	National Textile Corporation Ltd.	6 % of Basic with max. of Rs. 100/-	3.5 % of Basic with max. of Rs. 20/-
	IDA		
	CDA	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 20/- 950 - 1499 Rs. 35/- 1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-
33	National Thermal Power Corporation Ltd. @	Rs. 100/-	Rs. 20/-
	Executive and Supervisors		

1.	2.	3.	4.	5.
	Workers	6% of Basic with max. of Rs. 100/-	4.5% of Basic with max. of Rs. 75/-	3.5% of Basic with max. of Rs. 20/- (for pay below Rs. 1515)
34.	Projects & Equipment Corporation of India Ltd.	Officers max. of Rs. 100/-	Rs. 75/-	Amount by which pay falls short of Rs. 1524 (Rs. 1515 and above)
	Workmen	8% of Basic with max. of Rs. 100/-	Rs. 75/-	Rs. 20/-
35.	Central Government	Below 950 Rs. 30/- 950 - 1499 Rs. 45/- 1500 - 1999 Rs. 75/- 2000 & above Rs. 100/-	Below 950 Rs. 25/- 950 - 1499 Rs. 35/- 1500 - 1999 Rs. 50/- 2000 & above Rs. 75/-	Below 950 Rs. 20/- 950 - 1499 Rs. 20/- 1500 - 1999 Rs. 20/- 2000 & above Rs. 20/-

@ Pay also includes special pay, Personal pay, Deputation Duty allowance & Non-Practicing Allowance
Source: Data Collected by the Fifth Central Pay Commission.



**COMPARATIVE POSITION OF HILL COMPENSATORY ALLOWANCE/WINTER ALLOWANCE ETC.
IN PUBLIC SECTOR UNDERTAKINGS & CENTRAL GOVERNMENT AS ON 1.1.95:**

ANNEXE 36.6

Undertaking	Places	Basic pay/Class of Employees	Type of Allowance	Rates of Allowance	Date of last revision
1.	2.	3.	4.	5.	6.
1. Cement Corporation of India		Below Rs. 950 Rs. 950 - Rs. 1499 Rs. 1500 - Rs. 1999 Rs. 2000 - Rs. 2999 Rs. 3000 and above	HCA	Rs. 50 p.m. Rs. 70 p.m. Rs. 120 p.m. Rs. 150 p.m. Rs. 150 p.m.	
2. Hindustan Aeronautics Ltd. (Koraput Division).		Workmen: Gr. A Gr. B Gr. C Gr. D Gr. E Gr. F	HCA	Rs. 70 p.m. Rs. 80 p.m. Rs. 90 p.m. Rs. 100 p.m. Rs. 115 p.m. Rs. 130 p.m.	1994
3. Hindustan Petroleum Corporation Limited.	Height of above 1500 metres	Officers (1982 pay scale) Rs. 900 - Rs. 8000 Rs. 1001 - Rs. 1100 Rs. 1101 - Rs. 1799 Rs. 1800 and above Officers Non-Officers	HCA + WA HCA + WA	Rs. 49 p.m. Rs. 60 p.m. Rs. 65 p.m. Rs. 70 p.m. Rs. 400 p.m. from October to March Rs. 200 p.m. from October to March	1983
4. Hindustan Salts Limited		Below Rs. 950 Rs. 950 - Rs. 1499 Rs. 1500 - Rs. 1999 Rs. 2000 and above	HCA	Rs. 50 p.m. Rs. 70 p.m. Rs. 120 p.m. Rs. 150 p.m.	
5. Indian Oil corporation.	Height of 1500 Metres or above	Officers.	HCA + WA	Rs. 400 p.m. from October to March	

1.	2.	3.	4.	5.	6.
6	Indian Overseas Bank				
	Height of 1000 metres & above but less than 1500 metres.	Clerical & Subordinate Staff	HCA	6% of basic pay maximum of Rs. 110 p.m.	7.10 91
	Height not less than 750 metres and which are surrounded by hills with a height of 1000 metres & above.	Officers	HCA	5% of basic pay subject to maximum of Rs. 130 p.m.	
		-- do --	-- do --	-- do --	
	Height of 1500 and above but less than 3000 metres.	Clerical & Subordinate Staff	HCA	8% of basic pay maximum of Rs. 150 p.m.	
		Officers	HCA	6.5% of basic pay subject to a maximum of Rs. 600 p.m.	
		Clerical & Subordinate Staff	HCA	18% of basic pay maximum of Rs. 450 p.m.	
		Officers	HCA	15% of basic pay subject to a maximum of Rs. 600 p.m.	
		Employees of Smagar Unit	Composite Allowance	Rs. 190 p.m.	
7.	Indian Telephone Industries Ltd.	Class-I	HCA	7% of basic pay subject to maximum of Rs. 180 p.m.	1.47
8.	Life Insurance Corporation of India.	Class-II, III & IV		7% of basic pay subject to maximum of Rs. 150 p.m.	
	Height between 1000 metres & 1500 metres.	Class-I	HCA	5% of basic pay subject to maximum of Rs. 150 p.m.	
		Class-II, III & IV		5% of basic pay subject	

1	2	3	4	5	6
	Height not less than 750 metres but surrounded by and accessible through hill of 1000 metres and above.				
9.	State Bank of Hyderabad	Clerical & Subordinate Staff Supervisory Staff	HCA	18% of basic pay subject to maximum of Rs.450 p.m. 15% of basic pay subject to maximum of Rs.600 p.m. 8% of basic pay subject to maximum of Rs.150 p.m. 6.5% of basic pay subject to maximum of Rs.160 p.m. 6% of basic pay subject to maximum of Rs.110 p.m. 5% of basic pay subject to maximum of Rs.130 p.m.	to maximum of Rs.125 p.m.
	1500 - 3000 metres	Clerical & Subordinate Staff Supervisory Staff			
	1000 - 1500 metres	Clerical & Subordinate Staff Supervisory Staff			
10.	Tehri Hydro Development Corporation Limited	Below Rs.1500 Rs.1500 - Rs.1999 Rs.2000 - Rs.2499 Rs.2500 & above	HCA	Rs.50 p.m. Rs.70 p.m. Rs.120 p.m. Rs.150 p.m.	
11.	Central Government Employees	Below Rs.950 Rs.950 - Rs.1499 Rs.1500 - Rs.1999 Rs.2000 & above	CHCA	Rs.50 p.m. Rs.70 p.m. Rs.120 p.m. Rs.150 p.m.	1.1.86

HCA : Hill Compensatory Allowance
CHCA : Composite Hill Compensatory Allowance
WA : Winter Allowance

Source: Data collected by the Fifth Central Pay Commission.

**DEATH-CUM-RETIREMENT GRATUITY ADMISSIBLE TO THE EMPLOYEES OF THE PUBLIC
SECTOR AND GOVERNMENT OF INDIA**

ANNEXE 36.7

Undertaking	Death-cum-retirement Gratuity								
	Retirement Gratuity				Death Gratuity				
	Eligibility (from year of service)	Rate	Ceiling No. of Months	Amount (Rs.)	Eligibility	Rate	Ceiling No. of Months	Amount (Rs.)	
1. Air India Ltd.	2.	3.	4.	5.	6.	7.	8.	9.	
		15 days salary for each completed year of service		1 lakh					
2. Bharat Electronics Ltd.									
3. Bharat Aluminium Co. Ltd.	5 years	15 days salary for each completed year of service	16.5 Months Emoluments 20 Months Salary (Basic + DA)	1 lakh	less than 1 yr 1 yr & above but less than 5 yrs. 5 yr. & above but less than 20 yrs After 20 yrs	2 Months Emoluments 6 Months Emoluments 12 Months Emoluments 1/2 Month's Emoluments for completed half yr of qualifying service		1 lakh	
4. Bharat Heavy Electricals Ltd.			20 Months Wages	1 lakh	<-----do----->		33 times Emoluments	1 lakh	

1.	2.	3.	4.	5.	6.	7.	8.	9.
5.	Bharat Yantra Nigam Ltd.	<-----do----->	..	1 lakh				
6.	Bongaigaon Refinery and Petro Chemicals Ltd.	<-----do----->	..	..	<-----do----->			1 lakh
7.	Cement Corporation of India	<-----do----->	16.5 Months Emoluments	1 lakh	<-----do----->		33 times Emoluments	1 lakh
8.	Delhi Transport Corporation	15 days salary for each completed year of service	..	1 lakh	<-----do----->		33 times Emoluments	1 lakh
9.	Engineers India Ltd.	5 years	<-----do----->		<-----do----->		33 times Emoluments	1 lakh
10.	Ferro Scrap Nigam Ltd.	<-----do----->	16.5 Months Emoluments 20 times Emoluments	1 lakh	<-----do----->			
11.	Fond Corporation of India	5 years	15 days salary for each completed year of service (Basic + DA + Spl. Pay)	1 lakh	<-----do----->		33 times Emoluments	1 lakh
12.	Garden Reach Ship Builders and Engineers Ltd.	5 years	15 days salary for each completed year of service	1 lakh				
13.	Hindustan Shipyard Ltd.	<-----do----->		1 lakh				

1.	2.	3.	4.	5.	6.	7.	8.	9.
14. Hindustan Steel Works Construction Ltd.	5 years	15 days salary for each completed year of service (Basic + DA + Spl. Pay)	16.5 Months Emoluments	1 lakh	<-----do----->		33 times Emoluments	1 lakh
15. Indian Oil Corporation Ltd.	5 years	15 days salary for each completed year of service		1 lakh				
16. Indian Railway Construction Co. Ltd.	<-----do----->		16.5 Months Emoluments	1 lakh	<-----do----->		33 times Emoluments	1 lakh
17. Indian Telephone Industries	5 years	15 days salary for each completed year of service	16.5 Months Emoluments	1 lakh	<-----do----->			1 lakh
18. Maharashtra Antibiotics and Pharmaceuticals Ltd.		<-----do----->	20 Months Salary (Basic + DA)	1 lakh				
19. Manganes Ore India Ltd.	5 years	15 days salary for each completed year of service	20 Months Salary		<-----do----->		20 Months Salary	1 lakh
20. Mazagon Dock Ltd.	5 years	15 days salary for each completed year of service	16.5 Months Emoluments	1 lakh	<-----do----->		33 times Emoluments	1 lakh
21. Mica Trading Corporation of India Ltd.	5 years	15 days salary for each completed year of service	16.5 Months Emoluments	1 lakh				

1.	2.	3.	4.	5.	6.	7.	8.	9.
22. Mineral Exploration Corporation Ltd.	4 years	15 days salary for each completed year of service	20 Months Emoluments	1 lakh		15 days wages for each completed year of service till the date of retirement	20 Months Emoluments	1 lakh
23. National Thermal Power Corporation Ltd.	5 years	15 days salary for each completed year of service	40 times 15 days wages (20 months)	1 lakh	less than 1 yr Emoluments 1 yr & above but less than 5 yrs. 5 yr & above but less than 20 yrs After 20 yrs	2 Months Emoluments 6 Months Emoluments 12 Months Emoluments 1 1/2 Month's Emoluments for completed half yr. of qualifying service	33 times Emoluments	1 lakh
24. Rashtriya Ispat Nigam Ltd.	4.5 years	15 days emoluments for each completed year of service	20 months emoluments (Basic + DA)	1 lakh	<-----40----->			1 lakh
25. Government of India	5 years	1/4 th of Emoluments for each completed six months of service (Basic + DA @ 71% for Pay up to Rs. 3400/-; Basic + DA @ 71% for Pay of Rs. 3501-6000 subject to minimum of Rs. 3395; Basic + DA @ 63% for Pay of Rs. 6001 & above subject to minimum of Rs. 4380 w.e.f. 1.4.1995)	16.5 times Emoluments	2.5 lakh	<-----40----->		33 times Emoluments	2.5 lakh

Note: For the purpose of computation of gratuity in PSUs, a month should be reckoned as consisting of 26 working days

Source: Data collected by the Fifth Central Pay Commission

**STATEMENT OF PROVIDENT FUND CONTRIBUTION
APPLICABLE TO THE EMPLOYEES OF PSUs
AS ON 1.1.1995**

Undertaking	Provident Fund Scheme	
	Employee's Contribution	Employer's Contribution
1.	2.	3.
1. Air India Limited	10% of basic pay	10% of basic pay
2. Bharat Electronics Limited	10% of basic pay + DA	10% of basic pay + DA
3. Bharat Heavy Electricals Ltd.	10% of Pay + DA + FDA	10% of Pay + DA + FDA
4. Bharat Aluminium Co. Ltd.	10% of Pay + DA + Spl Pay	
5. Bongaigaon Refinery & Petro Chemicals Limited	10% of Basic pay + DA	
6. Cement Corporation of India	10% of basic pay + DA	10% of basic pay + DA
7. Cochin Shipyard Limited	8 1/3 % of basic wages + DA	8 1/3 % of basic wages + DA
8. Dredging Corp. of India Ltd.	10% of basic pay + DA	
9. Ferro Scrap Nigam Limited	10% of basic pay + DA	10% of basic pay + DA
10. Food Corporation of India Limited	10% of basic pay + FDA + VDA (IDA scale)	
	10% of basic pay + CDA (CDA scale)	
11. Hindustan Aeronautics Ltd.	10% of basic pay + DA	10% of basic pay + DA
12. Hindustan Fertilizers Ltd.	10% of basic pay + DA	10% of basic pay + DA
13. Hindustan Shipyard Limited	8.33% of basic	
14. Indian Railway Construction Company Limited	10% of basic pay + DA	10% of basic pay + DA

1.	2.	3.
15. Indian Telephone Industries Limited	10% of basic pay + DA	10% of basic pay + DA
16. Life Insurance Corporation of India	10% of the aggregate of the basic pay including 90% of the Sp. Allowances	10% of basic pay
17. Manganese Ore Limited	10% of basic pay + DA	10% of basic pay + DA
18. Mica Trading Corporation of India Limited	10% of basic pay + VDA	10% of basic pay + VDA
19. Mineral Exploration Corporation Limited	10% of basic pay + DA	10% of basic pay + DA
20. National Industrial Development Corporation	8 1/3 % of basic wages + DA	8 1/3 % of basic wages + DA
21. National Seeds Corporation Limited	10% of basic pay + DA	10% of basic pay + DA
22. Rail India Technical and Economic Services Limited	10% of basic pay + DA	10% of basic pay + DA
23. Paradeep Phosphates Ltd	10% of basic pay	10% of basic pay
24. Projects and Equipment Corporation of India Limited	10% of basic pay + DA	10% of basic pay + DA
25. Rehabilitation Industries Corporation Limited	8.33% of basic pay + DA	8.33% of basic pay + DA
26. North Eastern Handicrafts and Handlooms Development Corporation	8.33% of basic pay + DA	8.33% of basic pay + DA
27. Central Government Employees	6 % of basic pay only	Not applicable

Source: Data collected by the Fifth Central Pay Commission.

Comparison with the Private Sector

- Introduction* 37.1 We observe that subsequent to the opening up of the economy, salaries in the private sector have skyrocketed and gone through the roof. The recent spurt in the compensation packages of employees in the private sector is a result of the intense competition amongst the large number of players that have emerged on the industrial scene. It is these players who are making such lucrative offers in a bid to attract and retain key personnel.
- Boom in private sector salaries* 37.2 Government too has contributed to the salary boom in the private sector, initially by raising the ceilings on the remuneration of managerial personnel, and later by relaxing the ceilings completely for profit-making companies. Today, such companies can pay their managerial personnel 5% or 10% of their net profits, depending on whether the company has one or more than one Managing Director/Whole-time Director. Thus, a company with a net profit of Rs.100 crores and with one Managing Director can pay him Rs.5 crores per annum. This kind of astronomical salary is not merely an example, these days it is fact. Thus Government policy has blown up the hitherto innocuous differentials between the Government and the private sector, especially at the highest levels, many times over. Needless to say, this has led to extreme resentment and heart-burning among the Government employees.
- Feelings of Government employees* 37.3 At a Seminar organized in January, 1995, by the Centre for New Perspectives on the "Salary System in Government", the public servants argued vehemently in support of a comparable status with the private sector in respect of salaries. It was argued that the "over offerings" by multinationals to fresh IIT and management graduates, which were as high or higher than the salaries of senior Government officials, were eroding the morale of all Government functionaries. Such glaring disparities between the pay structure in the Government and the private sector might create a serious crisis of talent, especially at higher levels.
- Consultancy Report* 37.4 The issue of salaries in private sector has hogged considerable media attention and generated a great deal of controversy. While there is a plethora of newspaper and magazine articles available on the subject of salaries in the private sector, there is no reliable database. In this context, we decided to assign a study to the Management Development Institute (MDI), Gurgaon to carry out an objective assessment of the situation, comparing the salaries and perquisites

obtaining in the Central Government with those in the private sector. The MDI circulated a questionnaire to about 400 private sector enterprises ranging from small traders to huge multinational companies. The list was drawn up so as to cover a wide spectrum of enterprises in terms of their scale of operations, types of activities, organisational structures, locations etc. The sample drawn was influenced by convenience of access to information and technically could not be called a random sample. The private sector is highly reluctant to part with information relating to compensation packages. With great deal of persuasion and personal efforts, MDI succeeded in eliciting information from 112 organisations. The response to the questionnaire was received from these 112 enterprises. This is a good beginning and it is hoped that Management Institutes across the country will take this as an example to follow, so that a body of literature is created on private sector remunerations.

*Findings of the
study entrusted to
VIT*

37.5 After making some assumptions regarding the comparable levels in the private sector and the Government, and other assumptions for the purpose of quantifying non-quantifiable benefits (see Annex 37.1) the MDI have calculated the "average total cost to the organisation" of maintaining officers at various levels, in the Government and the private sector. This average total cost includes both the direct and indirect cost and is given for five levels of management in Annexe 37.2. The MDI have concluded as under :

- i) **The Secretary to the Government of India, on an average, costs his employer around half of what a Chief Executive Officer (CEO) costs his employer in the private sector.** The average cost of a CEO in the private sector is Rs.1,02,255 p.m. For a Secretary, it comes to Rs 44,817.
- ii) Besides an average basic salary (including DA + CCA) of Rs 23,303, the CEO in the private sector draws an incentive pay of Rs.14,752 which works out to 65% of the basic salary. The Secretary to the Government of India does not get any payment of this nature.
- iii) CEOs in the private sector enjoy a little more than their basic salaries in the form of housing and car benefits. These include house with furnishing allowance, house maintenance, telephone, driver, car maintenance, insurance, road tax, petrol, etc. In some cases, portion of expenditure on housing and car is given in cash on reimbursement basis. The Secretary also enjoys housing and car benefits but not of commensurate value.
- iv) In addition, a CEO in the private sector draws sundry allowances such as books and periodicals, club memberships, credit cards, LTC, medical entertainment, services and amenities, servants, etc., to the tune of Rs.12,645 p.m. which is nearly 55% of his basic salary. As regards the Secretary to the Government of India, he is entitled to some medical benefits and LTC by rail only, which may be valued at Rs 2700 or 16% of the basic salary.

- v) In the private sector, CEOs are increasingly being given superannuation benefits which are significantly better than the pension entitlements available to the Secretaries.
- vi) The annual increase in the compensation to a CEO in the private sector enterprise is 30 to 35%, while the increase permitted to the Secretary is marginal (in the range of 8-9%). If the trend continues, the gap between compensations allowed to CEOs and Secretaries will increase dramatically over time.
- vii) The structure of the compensation package of a Head of Department in the private sector is similar to that of his CEO, but the differential in the quantum of remuneration is wide. An HOD gets about 40% lesser than his CEO. However, in Government the differential between the emoluments of a Secretary and a Joint Secretary is very little. At the HOD level, private organisations are very liberal with designations but conservative with regard to compensations. While an HOD has approximately 8-10 years of experience, a Joint Secretary has already spent 16 to 22 years in service.
- viii) Though the average compensation package of entry level executives in the private sector may be lower than in the Government, in some cases entry level executives reach a compensation level that is nearly two times the compensation at the highest level available in Government of India, within a short span of time. This is primarily because of performance-related rewards available in the private sector.
- ix) In the private sector, performance criteria are well laid down and salaries are revised annually. Those performing better than others are given accelerated increments and promotions.
- x) Amongst the non-executives in the private sector it is observed that there is a high degree of flexibility and multiple functionality. For instance, a typist also performs the role of a telephone operator, a stenographer, a PA or an assistant. Similarly, a Peon/Messenger is asked to work as a driver as also attend to other errands like making and serving tea.
- xi) Annual pay is revised in such a manner for non-executives that the rate of increment includes both the components i.e. inflation adjustment and reward for performance.
- xii) In the private sector, there are many employee-friendly link parameters. For example, attendance/shift allowance, transport for family members, picnic, free gifts on the occasions of important festivals etc.
- xiii) Salaries are deliberately structured in the private sector so that an employee is able to save on income tax. A significant

component of the pay packet in the private sector is that of cash allowances, which are given to them on "reimbursement" basis in order to avoid payment of income tax. Some of these could also be termed as malpractices. Similar methods are not possible in the Government where there is more transparency and a rigorous system of auditing. The study has suggested exemption of Government employees from income tax or reduction of their tax burden.

- xiv) The number of holidays in the private sector is far less than that in the Government. But the duration of working hours and working days is much greater. In practice, there are no standard hours of work.
- xv) Government may consider introduction of a fast track for promotions. Some of the appointments could be made on contract basis.
- xvi) In certain sectors in Government, linkage between performance and compensations could be easily established, as these are departmentally run commercial or service undertakings.

Our approach 37.6 From the above study, it is indisputable that there has come to be a yawning gap between the salaries and benefits available in the private sector and the Government at all levels. We believe that this problem if not addressed at this juncture is likely to gradually spell a rot in the system. Not only is a flight of talent an immediate possibility, a tendency towards corruption is equally likely. We also observe that it may not be possible to lift the remuneration system, prevailing in the private sector and transplant it in its entirety on to the Government as there are vital differences between the two sectors. Security of tenure in the Government is a distinct advantage compared to the private sector. Similarly, unlike the Government, profitability considerations in the private sector continue to be the prime driving force. Even so, some relative parities will have to be maintained. Countries abroad have already started doing so. In Singapore, salaries in Government have been benchmarked to the salaries in the private sector. The salaries of Permanent Secretaries in the U.K. are also close to the salaries of Chief Executives in the private sector.

Borrowing from the private sector 37.7 We are, however, constrained by the availability of funds within the Government in making recommendations of this sort. Yet, we have tried to strike a balance by borrowing certain features from the private sector. Our recommendations on exemption of allowances and pensions from taxes, performance-related increments, linking part of running allowance with punctuality of trains, introduction of Limited Departmental Competitive Examinations for promotion, reduction in number of holidays, etc., have drawn inspiration from the experiences of the private sector. We have also narrowed down the astronomically large differentials at the highest level to a limited extent by recommending 100% inflation neutralisation at all levels.

*Need for National
Wage Policy* 37.8

While we hope that the present boom in private sector salaries is a transitory phenomenon and will be self-limiting, we do feel that a **National Wage Policy needs to be drawn up** to put an end to the corporate warfare being currently waged by private industry for wooing away human capital.



Assumptions made by MDI for the purposes of calculating and comparing total compensation packages in companies.

- 1 Designations and salary structures do not have one to one linkage in several organisations. Where the salary structure is not clearly defined, we have taken the basic salary of the incumbent in that post as an estimate of the basic salary.
- 2 Many companies use a variable annual increment as a combined measure for both inflation adjustment and increment (up valuing skills). Consequently, in our reporting the changes in DA + annual increment may be combined together to estimate increase in compensation.
- 3 Wherever, a company car has been provided, a sum of Rs 9000/- per month has been used as an estimate for this benefit. This figure has been arrived at based on estimate of driver's monthly salary plus car maintenance plus petrol expenses plus other expenses like tax etc. This figure is for non-AC standard car model. In the case of luxury cars like Contessa, Cello, Esteem, etc., a sum of Rs. 15,000/- per month is taken as an estimate.
- 4 Telephone : If a telephone with local call facility is provided, a sum of Rs.500/- per month, with STD facility and ISD facility Rs.1500/- and Rs.2500/- respectively is added in the monthly compensation package
- 5 Transport Compensation : In some cases it cannot be treated as a part of compensation since the location of the unit is outside the city. In such cases the cost of monthly pick up is not included as a part of the compensation.
- 6 Medical Benefits : Whenever the company does not specify the upper limit for medical reimbursement, it is estimated that this figure is equal to one month's basic salary.
- 7 LTC : Where an upper limit on LTC is not specified, it is estimated that this figure is equal to one month's salary.
- 8 Accommodation : Where company accommodation is provided and HRA is not specified, 50 per cent of salary (basic+DA) is used as an estimate for the rental value of the house. In the case where bachelor accommodation is provided, 25 per cent of the basic + DA may be used
- 9 Subsidised Food : Wherever lunch, Tea/Coffee is provided by the company a flat sum of Rs 750/- per month is added to the total monthly compensation package of executive and Rs 300/- in case of workmen
- 10 Gratuity : In the case of gratuity, 15 days' salary for every completed year of service is taken as an estimate. The salary here may be taken to be the basic pay + DA of the upper limit of the pay scale.
- 11 Provident Fund : For PF 10 per cent of the basic + DA is added to the total monthly compensation.

12. Leave Encashment : Wherever this scheme exists, the amount may be added to gross annual compensation, whether it is availed or not.
13. Productivity Incentives : Wherever this scheme is in vogue, last year's data is used as an estimate.
14. Uniforms, Shoes, etc., which are given to employees are treated as a part of compensation, although some companies do not treat them as such.
15. The jobs responsibilities and hours of work for the same designation vary considerably in many organisations. We have used our judgement to classify them into similar clusters.

Some Definitions used for Analysis

Cost to company:

This represents all direct and indirect cost to the company for hiring an employee. This would include all monthly payments, annual payments statutory obligations (ESI, PF, Pension, etc.) and subsidies (Canteen, Conveyance, Uniform, etc.).

Effective Pay

This is the total cost to the company excluding statutory obligations (PF, Gratuity and other Terminal Benefits), housing benefits (Rent on leased house, house maintenance, telephone, etc.), conveyance (including car, petrol, insurance, tax and maintenance). This, however, would not give the cash pay packet which employees across the sector take home. Nevertheless, it serves as a useful measure of comparing the pay across sectors, especially when a significant proportion of the pay is strictly non-measurable or non-variable.

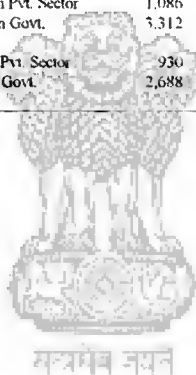
Take Home Pay

This is the pay packet in cash which an employee receives each month. It includes basic pay, DA, CCA, Cash Allowances and excludes HRA if any and all annual benefits like Bonus, Ex-gratia, LTC, etc., as also statutory benefits like PF, Gratuity, Pension, etc.

COMPARATIVE LEVELS OF TOTAL COST IN THE GOVT. AND THE PRIVATE SECTOR

Level	Designation	(Rs./Month)		
		Total Cost to the Organisation		
		Low	Avg.	High
1.	2.	3.	4.	5.
Highest level	(a) CEO	28,542	102,255	269,967
	(b) Secretary	44,817	44,817	44,817
Senior level	(a) Head of the Deptt.	20,208	65,283	112,783
	(b) Joint Secretary	36,805	N.A.	N.A.
Entry level	(a) Executives	2,000	10,837	23,288
	(b) Group A Officers	12,139	14,350	16,380
Supporting Staff	(a) Typist in Pvt. Sector	1,086	4,146	8,381
	(b) Typist in Govt.	3,312	4,251	5,139
Lowest level	(a) Peon in Pvt. Sector	930	3,582	8,065
	(b) Peon in Govt.	2,688	2,961	3,234

Source: MII Study



Comparisons with State Governments

GENERAL INTRODUCTION

The need for comparisons with the States

38.1 Our Terms of Reference require us to make recommendations about the structure of the emoluments and conditions of service of the Central Government employees having regard, among other relevant factors, to the prevailing pay structure and retirement benefits available under the State Governments.

VIEWS EXPRESSED BY PREVIOUS COMMISSIONS

The Second CPC

38.2 The Second CPC while admitting problems of making valid comparisons among State Government employees stated: "...The rates of remuneration of the heads of major departments are comparable with those of heads of departments under the Central Government. The differences however, are most conspicuous in the case of Class IV and clerical staff which in conjunction with the similarity of qualifications and duties has provided a ground for agitation by the non-gazetted employees. The disparities in the emoluments of public servants in different States are to a large extent, but not entirely, the reflection of unequal levels of economic development and of differences in the financial resources of the State Governments."

The Third CPC

38.3 The Third CPC did not comment on the issue of comparison with States.

38.4 The Fourth CPC observed " while a graduate teacher, staff car driver, staff nurse are paid less at the minimum of the scale compared to the Centre, certain other categories like LDC, Constable, Head Constable, Telephone Operator, Midwives etc. are getting higher emoluments. There is no uniformity of pay scales across the States and relativities between different posts also differ across states".

METHODOLOGY

Our methodology

38.5 In order to study the prevailing pay structure in the State Governments, a questionnaire was designed for eliciting information about the pay scales of different categories of posts, allowances and retirement benefits of the employees and other relevant conditions of service. Copies of the same were forwarded to all the State Governments. Replies were received from 21 out of the 25 States. The four defaulting States were Bihar, Kerala, Nagaland and Punjab. We also visited some States. During our visits we had discussions with the Chief Ministers, Chief Secretaries, Officers of the State Governments and the State units of the respective All India Services officers' Associations.

SIZE OF EMPLOYMENT IN THE STATE GOVERNMENTS

38.6 Based on the information received from State Governments it is observed that the total number of employees under the State Governments is more than the number of civilian employees under the Central Government. While according to the data based on Economic Survey, 1995-96 the number of civilian employees in the Central Government rose from 32.7 lakhs in 1983 to 33.9 lakhs in 1994, the number of State Government employees increased from 60.4 lakhs to 73.4 lakhs during the same period, representing an increase of about 3.7% for Central employees and about 21.5% for State Government employees. Even if we take the information based on the schedules, the figure for Central Government employees shows an increase of 10.3% over the period 1984-94; there are no figures for State Government employees available from the same source. It can be broadly stated that the Central Government has been able to keep a tighter control on the number of its employees than the State Governments because of the freeze operative since 1984.

BROAD OBSERVATIONS BASED ON COMMON CATEGORIES

State Pay Commissions

38.7 From the replies received it is observed that the pay structure of State Government employees is periodically reviewed and revised by the respective State Pay Commissions/Committees on the pattern of Central Government pay scales. The number of such Pay Commissions varies from three to nine across the States, with the largest number having been set up in Andhra Pradesh, Assam and Orissa (Seven each), Rajasthan (Eight) and Jammu & Kashmir (Nine). (See Annexe 38.1 - for details)

38.8 Most of the States have adopted the Central Government pattern with slight modifications to suit local conditions. In certain States like Karnataka, Andhra Pradesh and Assam, the pay scales have been revised as recently as 1.7.1993, 1.7.1992 and 1.1.1989, as compared to 1.1.1986 which is the

date of effect of the Fourth CPC's recommendations. Consequently, the pay scales in these States are much higher than the pay scales at the Centre as these are linked to higher levels of AICPI.

<i>Pay-scales in States</i>	<p>38.9 The number of pay scales are seen to vary across States, with a maximum of 46 scales in Goa and a minimum of 17 in Haryana. The number of scales in some other States are Andhra Pradesh (32), Arunachal Pradesh (36), Assam (30), Gujarat (36), Maharashtra (30), Rajasthan (25), Uttar Pradesh (37), West Bengal (24) and Himachal Pradesh (29). (See Annexe 38.2)</p> <p>38.10 There is no uniformity in the scales of pay of various categories of employees across States. The Chief Secretary's post, being an IAS post, is in the scale of Rs.8,000/- in almost all States, except Goa and Tripura. The Chief Secretary of Haryana gets a special pay of Rs.500 over and above the basic pay of Rs.8,000/-. The scales of pay of Directors of Education and Chief Engineers show considerable variation across States.</p> <p>38.11 It is also observed that the pay scales of some common categories like Constable, Head Constable and Staff Car Driver in a large number of States are more attractive than at the Centre. (See Annexe 38.2)</p>
<i>Minimum-Maximum ratio in States</i>	<p>38.12 The minimum-maximum ratio across States as on 31.3.95 is at the level of 1 : 10.7 as at the Centre. Goa and Tripura are the only exceptions, as their Chief Secretaries are in the scale of Rs.7300-7600 and not Rs.8000 as in the other States and their peons are in a higher scale than their counterparts at the Centre.</p>
<i>Inflation indexation in States</i>	<p>38.13 Salaries are indexed for inflation in all States and the compensation for increase in the cost of living is given in the form of dearness allowance as per the Central pattern. All the States use All India Consumer Price Index for Industrial Workers for measuring inflation, as is the practice in the Central Government.</p>
<i>Encashment of leave and LTC</i>	<p>38.14 In regard to the other conditions of service like holidays, encashment of leave and LTC we find that there are large scale variations between the Central and State Government employees (See Annexe 38.3). As compared to 16 gazetted holidays at the Centre, the number of holidays in the States vary from 41 in Sikkim to 30 in Jammu & Kashmir and 19 in Goa. Similarly, as compared to 12 days's Casual Leave at the Centre, the provision in most States is for 15 days. Earned Leave is uniformly fixed at 30 days both in the Centre and the States. While no encashment of leave during service is permitted at the Centre, such encashment during service ranges from 15 to 30 days in a block of two years in the States such as Andhra Pradesh, Gujarat, Karnataka and Maharashtra. Gujarat also permits encashment of LTC but is alone in this respect. In most States as well as at the Centre, Government employees and their families are, for the purposes of LTC, entitled to travel by a specified class which is not the same class as the official is entitled to travel while on tour. However, in the case of officers and the families of Tamil Nadu Government drawing a certain pay, air travel is permitted. Assam and Meghalaya Government permits the employees and their families to travel on LTC by the same class to which the official is entitled to travel while on tour.</p>

Overtime Allowance 38.15 Most of the States do not have a system of payment of overtime allowance. For a few categories of employees who are required to work at odd hours, a special tiffin allowance is permitted.

Other allowances 38.16 We also observe that certain other local allowances or facilities like a peon surrender allowance, car for private use on nominal payment along with free petrol, medical reimbursement of treatment from private medical practitioners, sumptuary allowance etc., are given by certain States like Tamil Nadu to their employees, while such allowances or facilities are not provided by the Centre.

Retirement Benefits 38.17 A great deal of uniformity is observed in the retirement benefits available to the State and Central Government employees with average emoluments for calculating pensions being based on last 10 months' pay in most cases, rate of pension being 50%, qualifying service for full pension being 33 years and for eligibility of pension being 10 years (See Annexe 38.4). The minimum and maximum pension limits vary across States because of differences in the pay structure. The States of Andhra Pradesh, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu and Tripura have no ceiling on pensions. As at the Centre, on third of pension is allowed to be commuted in all States. While restoration of commuted value is generally allowed after a period of 15 years both at the Centre and in the States, in a few States this period has been reduced even to 12 years.

38.18 While no variation is observed between the Centre and the States in the rate of death-cum-retirement gratuity and the ceiling limit in terms of number of months is also broadly uniform at 16.5 months or so, many of the States have not yet reported an increase in the financial ceilings. (See Annexe 38.5)

Promotion Policy 38.19 Regarding promotion policy, we observe that the States of Andhra Pradesh, Goa, Gujarat, Kerala, Rajasthan, Maharashtra, Mizoram, Uttar Pradesh and West Bengal have introduced some form of time-bound promotions at Group B, C and D level (See Annexe 38.6). Sikkim has introduced an advancement grade of Joint Secretary after 10 years of service at the Group A level. The number of such time-bound promotions vary between 2 to 3 across States and levels. In the Central Government also, time-bound promotions, have been introduced at the lower levels of certain Group C staff in the Department of Posts. Many scientific departments at the Centre operate a flexible complementing scheme for Group A scientists, and for other categories of employees, which is also a variant of time-bound promotion.

WAGE BILL IN STATES AS A PERCENTAGE OF REVENUE RECEIPTS, REVENUE EXPENDITURE AND STATE DOMESTIC PRODUCT.

The wage bill at the Centre and States 38.20 As compared to Rs.9044 crores spent by the Centre on the wages and salaries of Central Government employees in 1989-90, the corresponding amount spent by the States varied between Rs.2049.27 crores in a large State like U.P. and Rs.42.67 crores in a small State like Sikkim. (See Annexe 38.7)

Wage bill as a 38.21 The wage bill of the State Government employees as a percentage

percentage of
Revenue Receipt,
Revenue
Expenditure and
State Domestic
Product

of Revenue Receipts, Revenue Expenditure and State Domestic Product varies across States from 14% to 56%, 14% to 51% and 2% to 23% respectively, as compared to 17.3%, 14.1% and 2.21% at the Centre. There are certain States which are spending a larger proportion of their revenue receipts, revenue expenditure and SDP on wages and salaries as compared to the Centre. This is either because of the disproportionately large number of Government employees in some States, or their low revenue receipts, revenue expenditure and State Domestic Product, or a combination of the above factors. It is also observed that the rate of growth of revenue deficit in some States like Haryana, Himachal Pradesh, Kerala, Punjab and Tamil Nadu is much faster than the rate for the Centre which stood at 22.7% between 1984-85 and 1994-95 (See Annexe 38.8). This seems to be *inter alia* on account of a large component of revenue receipts being used for payments of wages and salaries of State Government employees.

LESSONS FROM THE EXPERIENCE OF THE STATES

Certain broad
conclusions

38.22 Looking at the scenario across the various States, certain broad conclusions may be drawn

While the pay structure and conditions of service in respect of State Government employees are mostly on the Central Government pattern, some peculiar features have been introduced by each State with reference to its requirements. The conventional wisdom that State Government employees are not paid as much as their counterparts in the Central Government is no longer valid for some of the States. Many States have either formally switched over to the Central pattern or are now committed to grant of Central pay scales or have evolved their own patterns which are not in any way lower than those prevalent at the Centre.

Notwithstanding their strained fiscal situation, some States pay a large number of special allowances to their employees as compared to the Centre. In regard to other conditions of service also like Earned Leave, Casual Leave and Encashment of Leave, the State Governments are more liberal and innovative than the Centre.

Time-bound promotions have been introduced by several States to keep intact the morale of their employees.

The State Governments have been compelled to take many of these steps in order to keep peace with their employees. This has resulted in a kind of competitive populism in which different States are forced to emulate each other due to pressures brought by staff associations. The budgetary deficits of the States have thus mounted, not least because they have not been as successful in keeping tab over the numbers as the Central Government has.

It is possibly too late in the day now to mouth pious homilies asking the States to cut down the salaries and perquisites of their employees, especially when inflation is rampant and private sector salaries are no longer under check. In the long run, it may possibly turn to be an advantage, as a well-paid but smaller sized bureaucracy can also be a motivated and honest one. But the States will definitely need to prune the numbers drastically. The trend worldwide is to have lean but efficient organisations and the States will do well to follow in the same direction.

Lessons for the Central Government

38.23 As far as the Central Government is concerned, we feel that there are some lessons to learn from the States. Some of the ideas borrowed from their experience are :

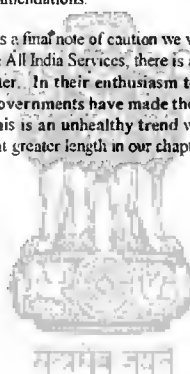
- encashment of leave during service
- travel by entitled class in LTC
- transport allowance
- sumptuary allowance to executive cadres
- commutation of pension in 12 years
- assured career progression

Ripple effect

38.24 We also appreciate that our recommendations for the Central Government employees are likely to have a ripple effect and are not without its implications for the State Governments. We have kept this constraint in mind while making our recommendations.

Note of caution

38.25 There is a final note of caution we would like to sound. Between the State services and the All India Services, there is an interface, as the former are feeder cadres to the latter. In their enthusiasm to better the lot of the State services, some State Governments have made them more attractive than the All India Services. This is an unhealthy trend which needs to be looked into. We shall speak of this at greater length in our chapter on All India Services.



Statewise Pay Scales of different categories of Employees

Annexe 38.1

States	Number of Commissions/ Committees set up after 1947	AICPI to which Pay Scales relate	Date of Effect	Pay Scales (Rs)					
				Pedn	L.D.C. (Sectt)	Constable	Head Constable	Telephone/PBX operator	Staff Car Driver
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
I. Centre	4	808	1.1.88	750 - 940	950 - 1500	825 - 1200	950 - 1500	975 - 1860	950 - 1500
II. States									
1 Andhra Pradesh	7	1114	1.1.82	1375 - 2315	1745 - 3420	1595 - 3020	1975 - 4010	1745 - 3420	1595 - 3
2 Arunachal Pradesh	N.A.	608	1.1.88	750 - 950	950 - 1500	825 - 1200	975 - 1660	950 - 1500	N.A.
3 Assam	7	776	1.1.89	900 - 1435	1285 - 3075	975 - 1925	1065 - 2095	N.A.	N.A.
4 Goa	N.A.	608	1.1.86	775 - 1025	1150 - 1560 (Jr. Asstt.)	950 - 1500	975 - 1660	N.A.	1150 - 1
5 Gujarat	5	606	1.1.86	750 - 940	950 - 1500	825 - 1200 with a start of Rs. 855/-	1320 - 2040	N.A.	950 - 15
6 Haryana	3	608	1.1.86	750 - 940 + sgt. pay of Rs. 30/-	950 - 1500 + sgt. pay of Rs. 40/-	950 - 1800 with a start of Rs. 1000/-	1200 - 2040	N.A.	N.A.
7 Himachal Pradesh	4	608	1.1.86	750 - 1350 with a start of Rs. 770/-	950 - 1800 with a start of Rs. 1000/-	950 - 1800 with a start of Rs. 1050/-	1200 - 2130 with a start of Rs. 1260/-	N.A.	1020 -
8 Jammu & Kashmir	9	608	1.4.87	750 - 940	950 - 1500 (Jr. Asstt.)	825 - 1200 950 - 1500 1300 - 1270 (sel. grade)	1340 - 1940	N.A.	N.A.
9 Karnataka	1	632	1.7.93	840 - 1340	1040 - 1900	1040 - 1900	1130 - 2100	1040 - 1900	N.
10 Madhya Pradesh	4	608	1.1.88	750 - 945	950 - 1530	950 - 1530	1150 - 1800	N.A.	N.
11 Maharashtra	4	608	1.1.86	750 - 940	950 - 1500	825 - 1200	975 - 1680	975 - 1680	950 -
12 Manipur	5	608	1.1.86	750 - 940	950 - 1500	825 - 1200	975 - 1680	N.A.	950 -
13 Meghalaya	3	661	1.1.87	820 - 1175	1300 - 2205	1050 - 1735 (Metric)	1200 - 1995	N.A.	N
14 Mizoram	3	608	1.1.88	800 - 1150	NA	825 - 1200	N.A.	N.A.	N
15 Orissa	7	808	1.5.89	750 - 940	950 - 1500	950 - 1500	N.A.	975 - 1660	950
16 Rajasthan	8	808	1.9.88	750 - 940	950 - 1680	825 - 1350 with a start of Rs. 855/-	950 - 1680	N.A.	950

States	Number of Commissions/ Committees set up after 1947	AICPI to which Pay Scales relate	Date of Effect	Pay Scales (Rs)					
				Peon	L.O.C. (Sectt)	Constable	Head Constable	Telephone/PBX Operator	Staff Car Driver
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Andhra Pradesh	4	656	N.A.	800 - 1060	N.A.	910 - 1200	N.A.	N.A.	N.A.
Assam	5	608	1.6.88	750 - 945	975 - 1600	850 - 1500 gr.I 825 - 1200 gr.II	1200-2040	975 - 1660	975 - 1660
Bihar	4	608	1.1.86	775 - 1130	N.A.	850 - 2130	N.A.	N.A.	N.A.
Chhattisgarh	4	608	1.1.86	750 - 940	950 - 1500	950 - 1400	975 - 1660	1200-2040	950 - 1500
Goa	5	608	1.1.86	800 - 1265	1040-1920	820 - 1617 with a start of Rs.862/-	980 - 1755	NA	980 - 1755

Replies of the Questionnaire received from States : Monitorily effective from 1.4.80



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Statewise Pay Scales of Selected category of Posts

Annex 38.2

States	Total Number of Scales	Chief Secretary	Secretary	Director of Education	Chief Engineer	Director General Police	Constable	Peon	Minimum/Maximum Ratio
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. Andhra Pradesh	32	IAS	8140-10380	7580-10160	7580-10160	IPS	1595-2020	1375-2375	N.A.
2. Arunachal Pradesh	36	8000	NA	4100-5300	5900-6700	5900-5700 (I.G.)	825 -1200	750 - 950	1:10.7
3. Assam	50	NA	4200-5200	3990-6100	3990-6100	5315-5200 (APS SrGrI)	975 -1935	900 -1435	N.A.
4. Goa	46	7300-7600	NA	3700-5000	5600-6700	5600-6700 (I.G.)	950 - 1500	775 -1625	1:9.4
5. Gujarat	36	N.A.	5900-6700	5300-6200	5300-6200	IPS	825-1200 start at 055	750-940	N.A.
6. Haryana	17	8000 +Rs 500 special pay	NA	4100-5300	7300-7600	7600-8000	950 -1800 start at 1000	750 - 940 +Rs 30 sp1. day	1:10.7
7. Himachal Pradesh	29	8000	NA	4500-6100	5900-6700 +Rs 500 sp1. day	7600-8000	950 -1800 start at 1050	750 -1350 start at 770	1:10.4
8. Jammu & Kashmir	28	IAS	IAS	4500-5700	4500-5700	IPS	825 -1200	750 -940	N.A.
9. Karnataka	20	IAS	IAS	4700-5400	5825-6800	IPS	1040-1800	840 -1340	N.A.
10. Madhya Pradesh	19	8000	NA	5900-6700	5900-6700	7600-8000	950 -1530	750 -945	1:10.1
11. Maharashtra	30	NA	7300-7600	5100-6300	5100-6300	Cadre Post	825-1200	750 -940	N.A.
12. Manipur	24	8000	NA	3700-5000	4100-5300	7500-8000	825 -1200	750 -940	1:10.1
13. Meghalaya	24	8000	5900-6700	4200-5850	4200-5800	NA	1050-1735	820 -1175	1:9.8
14. Mizoram	31	8000	NA	4500-5760	4500-5700	7300-7600	825 -1200	800 -1150	1:10.0
15. Orissa	27	8000	NA	4800-6300	5100-6500	N.A.	950 -1500	750 -940	1:10.7
16. Rajasthan	25	8000	NA	3900-5000	5100-6300	7300-8000	825 -1350 start at 855	750 -940	1:10.7
17. Sikkim	21	IAS	NA	4000-5400	4500-5700	IPS	810 -1290	800 -1060	N.A.
18. Tamilnadu	25	IAS	5500-6500	5100-5700	5100-5700	IPS	825 -1200	750 -945	N.A.
19. Tripura	N.A.	7300-7600	N.A.	4000-5908	5900-6700	7300-7600	050-2130	775-1130	1:9.4
20. Uttar Pradesh	37	IAS	IAS	5900-6700	7300-7600	NA	950 -1400	750 -940	N.A.
21. West Bengal	24	8000	NA	5500-6700	5900-6700	7300-7600 Commissioner	920 -1617 start at 952	800 -1255	1:10.6

* Director of Public Instruction

Director of Higher Education

% Law Secretary

1./States	Holidays		Yearly		Encashment of leave during service	Leave Travel Concession Home Town/ All India	Remarks/ Other Special Features
	Gazetted	Restri- cted	Casual Leave	Earned Leave			
	2.	3.	4.	5.	6.	7.	8.
	16	2	12	30	(---Nil---)	Home Town once in a block of 2 years and Anywhere in India once in a block of 4 years	
Madras	21	5	15	30	15 days E.L. at a gain of 12 months	Home Town once in a block of 2 yrs. and anywhere in India once in a 2nd block of 2 years	
1 Pradesh	12+2 days as desired by DC for their districts.	3	-----On Central Pattern-----				* For two days for Offices of Arunachal Pradesh located at New Delhi, Assam, Meghalaya & West Bengal.
	29	2	15	30	Nil	Home Town once in a block of 2 years and Anywhere in India once in a block of 4 years	For the purpose of LTC Govt. Employees and their families are entitled by class of journey to which Govt. Employee is entitled to travel while on tour.
	19	2	-----On Central Pattern-----				
	N.A.	N.A.	12	30	15 days in a block of 2 calendar yrs	Home Town once in a block of 2 yrs and anywhere in India once in a block of 4 yrs subject to max. of 5000 kms to and fro	
	23	2	N.A.	30	N.A.	(---On Central Pattern---)	
Pradesh	16	2	Central Pattern		Nil	(---On Central Pattern---)	
Assam	20	2	Central Pattern		Nil	L.T.C. introduced w.e.f. 15.3.1992	

Centre/States	Holidays		Yearly		Encashment of leave during service	Leave Travel Concession Home town/ All India	Remarks/ Other Special Features
	Gazetted	Restri-cted	Casual Leave	Earned Leave			
1.	2.	3.	4.	5.	6.	7.	8.
9 Karnataka	19	2	15	30	30 days E.L. in a block of two years.	Home Town once in 2 years. Anywhere in India only once in entire service period.	
10 Madhya Pradesh	20	3	<-----Central Pattern----->			N.A.	
11 Maharashtra	24	2	N.A.	N.A.	30 days in a year on availment of not less than 30 days E.L.	Only Home Town is allowed.	
12 Manipur	21	3	<-----On Central Pattern----->				
13 Meghalaya	18	2	15	30	Nil	Home town once in a block of 2 years and Anywhere in India once in a block of 4 years	For the purpose of LTC Govt. Employees and their families are entitled by class of journey to which Govt. Employee is entitled to travel while on tour.
14 Mizoram	26	N.A.	<-----On Central Pattern----->				
15 Orissa	24	2	10 days + 5 day Sot.C.t every alternate year	30 days 31 days in a block period of 24 months when he has to his credit minimum 120 days E.L.	30 days E.L. in a block period of 24 months	Only once in entire service period.	
16 Rajasthan	25	2	15	30	30 days E.L. in a block of two years.	<----Not Allowed----	
17 Sikkim	41	N.A.	10	1/11 of the period spent on duty	30 days in a block period of three years	<----Not Allowed----	
18 Tamilnadu	20	2	12	30	15 days at interval of 12 months & 30 days at interval of 24 months.	One way once in two yrs. and both ways once in 4 yrs	Officers of State service drawing a pay of Rs.5000/ p.m. and A.I.S. Officers drawing a pay of Rs.5000/ are allowed to travel by Air under L.T.C.

Centre/States	Holidays		Yearly		Encashment of leave during service	Leave Travel Concession Home Town/ All India	Remarks/ Other Special Features
	Gazetted	Restri- cted	Casual Leave	Earned Leave			
1.	2.	3.	4.	5.	6.	7.	8.
12 Tripura	N.A.	N.A.	12	30	(--Nil--)		Home Town once in a block of 2 yrs and anywhere in India once in service period
20 Uttar Pradesh	20	2	14	N.A.	upto Rs.2800/- 30 days and above Rs.2800/- 15 days.		Only once in entire service. Limited to 3000 kms. Eligible after continuance service for 15 yrs.
21 West Bengal	20	2	14	30	(--Nil--)		Anywhere in India within 2 yrs of actual retirement. Employees posted at a distance of 400 kms or above from Calcutta are entitled to once in a year to visit Calcutta

Source: Replies to the Questionnaire received from the States.



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Centre/States	Average emoluments (AE) calculated on the basis of	Qualifying service		Rate of Pension	Pension (Rs.) per month		Remarks
		For full pension	For eligibility of pension		Minimum	Maximum	
1.	2.	3.	4.	5.	6.	7.	8.
I. Centre	10 months Basic Pay	33 yrs.	10 yrs.	50 %	375	500	
II. States							
1 Andhra Pradesh	10 months Basic Pay	33 yrs.	10 yrs.	50 %	370	No ceiling	
2 Arunachal Pradesh	Central Pattern is being followed						
3 Assam	10 months Basic Pay	33 yrs.	10 yrs. or 20 yrs. of Temporary pensionable service	50 %	450	3150	
4 Goa	Central Pattern is being followed						
5 Gujarat	N.A.	33 yrs.	10 yrs.	N.A.	375	4000	
6 Haryana	N.A.	33 yrs.	10 yrs.	N.A.	375	3800	
7 Himachal Pradesh	Central Pattern is being followed						
8 Jammu & Kashmir	10 months Basic Pay	33 yrs.	10 yrs.	N.A.	375	3750	
9 Karnataka	Basic Pay at the time of retirement *	33 yrs.	10 yrs.	50 %	390	3450	* plus sol. pay for stenographers, typists, drivers & lift attendants
10 Madhya Pradesh	N.A.	33 yrs.	10 yrs.	N.A.	375	No ceiling	
11 Maharashtra	10 months Basic + NPA	33 yrs.	10 yrs.	N.A.	375	4000	
12 Manipur	10 months Basic	33 yrs.	10 yrs.	50 %	375	4500	
13 Meghalaya	10 months Basic, Sol. & Personal Pay	33 yrs.	10 yrs.	N.A.	375	3000	
14 Mizoram	Central Pattern is being followed						

Centre/States	Average emoluments (AET) calculated on the basis of	Qualifying service		Rate of Pension	Pension (Rs.) per month		Remarks
		For full pension	For eligibility of pension		Minimum	Maximum	
1.	2.	3.	4.	5.	6.	7.	8.
15 Orissa	Basic Pay at the time of retirement	33 yrs.	10 yrs.	50 %	300	No ceiling	
16 Rajasthan	Basic, Sol. Personal Pay Last drawn & 10 months Ave. NPA wherever applicable	33 yrs.	10 yrs.	N.A.	300	No ceiling	
17 Sikkim	N.A.	33 yrs.	10 yrs.	N.A.	375	3350	
18 Tamilnadu	10 months Basic, Sol. & Personal Pay	33 yrs.	10 yrs.	50 %	375	No ceiling	
19 Tripura	Last Basic Pay	33 yrs.	10 yrs.	Proportionate to length of qualifying service	400	No ceiling	
20 Uttar Pradesh	10 months Basic Pay	33 yrs.	10 yrs.	N.A.	375	4500	
21 West Bengal	Last Pay drawn	33 yrs.	10 yrs.	50%	400	3650	

Source: Replies to the Questionnaire received from States.

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admissible to Central and State Government employees

Centre/States	Commutation of Pension		Death-cum-retirement gratuity			
	Portion of pension allowed to be commuted	Restoration of commuted value after	Eligibility	Rate	Ceiling	
					No. of Months	Amount
1.	2.	3.	4.	5.	6.	7.
I. Centre -----	One Third of the Pension	15 yrs. or 73 years of age		1/4 of emoluments (Basic+ 37% DA) for each monthly period	16.5	Rs. 2.50 Lakh
II. States -----						
1 Andhra Pradesh	One Third of the Pension	15 yrs.		1/4 of emoluments (last Basic Pay) for each completed 6 monthly period or 5/16 of emoluments (last Basic Pay) for each completed 6 monthly period	15 12.375	Rs. 0.60 Lakhs Rs. 1.00 Lakhs
2 Arunachal Pradesh	(----- C.C.S. (Pensions) Rules -----)					
3 Assam	One Third of the Pension	14 yrs.	5 yrs qualifying service	1/4 of emoluments (last Basic Pay) for each completed 6 monthly period	16.5	Rs. 0.72 Lakhs
4 Goa	(----- Central Pattern is followed -----)					
5 Gujarat	One Third of the Pension	15 yrs.	Death ----- less than 1 yr 2 times of pay 1 - 5 yrs. 6 times of pay 5 - 20 yrs. 12 times of pay 20 or more 1/2 of the Basic Pay for each completed six monthly period of qualifying service subject to maximum of 33 times pay or Rs. 1.00 Lakh whichever is less.			
6 Haryana	One Third of the Pension	70 yrs. of age or when full value of commutation is recovered along with notional interest whichever is later.	(----- H 4 -----)			Rs. 1.00 Lakh

Commutation of Pension and Death-cum-retirement Gratuity
admissible to Central and State Government Employees

Annex 38.5

Centre/States	Commutation of Pension		Death-cum-retirement gratuity			
	Portion of pension allowed to be commuted	Restoration of commuted value after	Eligibility	Rate	Ceiling	
					No. of Months	Amount
1.	2.	3.	4.	5.	6.	
7 Himachal Pradesh	-----Central Pattern is followed-----					
8 Jammu & Kashmir	One Third of the Pension	15 yrs.	-----Central Pattern is followed-----			
9 Karnataka	One Third of the Pension	15 yrs.	10 six monthly periods of qualifying service	1/4 of emoluments for each completed six monthly period	16.5	Rs. 1.00 Lakh
10 Madhya Pradesh	-----Central Pattern-----		5 yrs. qualifying service	1/4 of emoluments (Basic + 20% DA) for each completed six monthly period	16.5	Rs. 1.00 Lakh
11 Maharashtra	One Third of the Pension	15 yrs.	Retirement ----- 5 years qualifying service	1/4 of last Basic Pay for each completed 6 monthly period of qualifying service	16.5	Rs. 1.00 Lakh
			Death ----- less than 1 yr. 2 times of pay 1 - 5 yrs. 6 times of pay 5 - 20 yrs. 12 times of pay 20 or more 1/2 of the Basic Pay for each completed six monthly period of qualifying service subject to maximum of 33 times pay or Rs. 1.00 Lakh whichever is less.			
12 Manipur	-----Central Pattern is followed-----					
13 Meghalaya	One Third of the Pension	15 yrs.	5 years	1/4 of six monthly emoluments.	16.5	Rs. 0.72 Lakhs.
14 Mizoram	-----Central Pattern is followed-----					

Commutation of pension and Death-cum-retirement Gratuity
admissible to Central and State Government Employees


Annexe 38.5

Centre/States	Commutation of Pension		Death-cum-retirement gratuity			
	Portion of pension allowed to be commuted	Restoration of commuted value after	Eligibility	Rate	Ceiling	
					No. of Months	Amount
1.	2.	3.	4.	5.	6.	7.
15 Orissa	One Third of the Pension	12 yrs.	Retirement ----- 5 yrs qualifying service	1/4 of last emoluments for each completed six monthly period	16.5	Rs. 1.00 Lakhs.
			Death ----- Less than 1 yr 2 times of pay 1 - 5 yrs. 6 times of pay 5 - 20 yrs. 12 times of pay 20 or more 1/2 of the emoluments for every six monthly period subject to maximum of 33 times emoluments provided that amount of Death gratuity in no case exceeds Rs. 1.00 lakh.			
16 Rajasthan	One Third of the Pension	14 years or 70 years of age whichever is later	-----	H.A.-----		
17 Sikkim	One Third of the Pension	15 Yrs.	5 yrs. qualifying service	1/4 of emoluments for each completed six monthly period	16.5	Rs. 0.65 Lakhs
18 Tamilnadu	One Third of the Pension	15 yrs.	5 yrs. qualifying service	1/4 of emoluments (Basic+ 20% DA) for each completed 6 monthly period	16.5	Rs. 1.00 Lakh
19 Triouru	One Third of the Pension	15 yrs.	Retirement -----	1/4 of emoluments for each completed six monthly period	16.5	Rs. 1.00 Lakh



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States	Promotion Policy
1.	2.
1. Andhra Pradesh	<p>(i) After 6 years service - Special grade</p> <p>(ii) After 16 years service - Promotion post scale</p> <p>(iii) After 24 years service - An addl. increment in promotional post scale</p>
2. Assam	Promotion is made subject to the availability of posts
3. Goa	Time bound promotions to group 'C' and 'D' employees including those group 'C' employees who are eligible to be promoted to group 'B' posts. Should have 12 years of service in the existing post. Not applicable to the teaching staff.
4. Gujarat	3 Time bound promotions to the posts carrying pay maximum of which does not exceed Rs 3500 after 9, 18 and 27 years of service. For teachers the period is 9, 20 and 31 years.
5. Kerala	<p>(i) 3 Time bound promotions to the posts with pay scale of Rs 175-1065 to 825-1250.</p> <p>(ii) 2 Time bound promotions to the posts with pay scale of Rs.950-1500 to 2375-3500.</p> <p>(iii) Direct recruits in the pay scale of Rs. 2500-4000 are given higher scale on completion of 12 years of service.</p> <p>(iv) Teachers</p> <p>-----</p> <p>(a) Secondary Schools</p> <p>-----</p> <p>1. T.G.T. - 1st promotion after 12 yrs. Rs.1640-2900 (1400-2600) 2nd promotion after 12 yrs. Rs. 2000-3500 and attainment of post-graduate qualification (limited to 20% posts)</p> <p>2. Headmaster - 1st promotion after 12 yrs. Rs.2200-4000 (2000-3500) and attainment of post-graduate qualification</p> <p>(b) Primary</p> <p>-----</p> <p>1. Teachers - 1st promotion after 12 yrs. Rs. 1400-2600 - (1200-2040) 2nd promotion after 12 yrs. Rs. 1640-2900 and attainment of trained graduate qualification (limited to 20% posts)</p>

States	Promotion Policy
1.	2.
	2. Headmaster - 1st promotion after 12 yrs. Rs. 2000-3500 (1640-2900) end attainment of graduate qualification
6. Maharashtra	2 promotions to group 'C' and 'D' employees.
7. Mizoram	Time bound promotions to group 'D' employees who have completed 20 years of service.
8. Rajasthan	3 selection grades to class IV ministerial and subordinate employees on completion of 9.18 and 27 years of service.
9. Sikkim	Advancement grade upto the level of Joint Secretary who have completed 10 years of service.
10. Uttar Pradesh	Applicable to the employees drawing pay upto Rs. 3500 <div style="text-align: center;">  </div> (i) After 8 years of satisfactory service - One additional increment in the form of selection grade (ii) After 14 years including 6 years in selection grade - Next higher grade (iii) After 20 years of service - One additional increment (iv) After 26 years of service - Next higher grade
11. West Bengal	2 Time bound promotions - each after 10 years of continuous and satisfactory service.

States and Centre's Total Expenditure on Pay & Allowances of
its employees as percent of Revenue Receipts, Revenue Expenditure
and Gross Domestic Product: 1989-90

(Rs crores)

States	Govt. Employees Pay and Allow- ances	Exod. on Pay and Allow- ances	Revenue Receipts	Revenue Expendi- ture	Gross Domestic Product (current prices)	Total Expd. on Pay & Allowances as % of	Revenue Receipts	Revenue Expendi- ture	State's Gross Domestic Product
1.	2.	3.	4.	5.	6.	7.	8.	9.	
1 Andhra Pradesh	383.632	1,037.51	4,476.89	4,715.12	22,544.5	23.17	22.00	4.60	
2 Arunachal Pradesh	40,980	84.33	289.16	256.66	362	29.16	32.86	22.06	
3 Assam	366,293	637.76	1,534.82	1,668.78	8,647	41.55	26.22	7.36	
4 Bihar	N.A.	1,655.67	3,640.46	3,630.96	20,638	50.97	48.44	6.99	
5 Goa	30,910	76.21	217.17	226.33	1,065	35.09	33.36	7.13	
6 Gujarat	239,762	511.09	3,537.20	3,703.64	24,426	14.45	13.80	2.09	
7 Haryana	276,544	663.78	1,607.24	1,701.73	11,288	41.30	39.01	5.88	
8 Himachal Pradesh	157,767	349.19	721.25	782.50	2,251	43.42	44.62	15.51	
9 Jammu & Kashmir	238,103	501.36	960.00	1,096.36	N.A.	52.29	45.76	N.A.	
10 Karnataka	537,392	1,283.31	3,336.48	3,462.94	20,126	36.36	25.43	6.13	
11 Kerala	331,762	680.77	2,047.64	2,298.09	11,649	33.25	29.62	5.84	
12 Madhya Pradesh	776,709	1,626.17	3,876.78	3,779.30	19,802	42.00	43.08	8.22	
13 Maharashtra	671,214	1,394.57	7,528.66	7,902.56	51,281	18.52	17.65	2.72	
14 Manipur	64,307	155.22	334.19	303.87	683	46.45	51.08	22.73	
15 Meghalaya	34,752	94.66	309.19	258.77	632	30.62	36.58	14.98	
16 Mizoram	28,658	73.92	344.38	239.63	N.A.	21.46	30.85	N.A.	
17 Nagaland	63,475	157.58	335.41	380.51	N.A.	46.98	41.41	N.A.	
18 Orissa	382,930	637.77	1,740.72	1,846.11	10,366	36.64	34.55	6.14	
19 Punjab	332,535	999.00	1,799.97	2,032.79	16,290	55.50	49.14	6.13	
20 Rajasthan	495,206	924.01	2,667.60	2,697.63	13,776.5	34.64	34.25	6.71	
21 Sikkim	19,495	42.67	134.27	115.27	194.5	31.78	37.02	21.99	
22 Tamilnadu	1,151,266	1,462.35	4,251.57	4,736.79	24,790	34.40	30.91	5.90	
23 Tripura	112,348	206.33	427.00	419.54	N.A.	48.32	49.18	N.A.	
24 Uttar Pradesh	859,501	2,049.27	6,623.17	7,654.05	45,767	50.94	26.77	4.48	
25 West Bengal	468,608	945.61	3,494.07	3,971.25	26,125.5	27.06	23.81	3.62	
26 Centre	3,774,396	9,043.62	52,296.00	64,210.60	408,662	17.29	14.06	2.21	

\$ Relates to 1988-89 as 1989-90 not available.

Note: Pay & Allowances of the Centre includes MRA, CCA, OTA, CHCA, Children Education allowance, Reimbursement of medical charges and tuition fees, LTC, Travelling allowance and other compensatory allowance but does not include the expenditure incurred on pay and allowances of employees of the Indian Missions abroad and that of Union Territories or the expenditure incurred on productivity linked bonus/ad-hoc bonus, Honorarium and encashment of earned leave.



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Remuneration in Public Services - The International Experience

INTRODUCTION

Our approach

39.1- Our terms of reference require us to evolve the principles which should govern the emoluments and conditions of service of Central Government employees within the country. While studying the principles governing the emoluments, we felt the need for examining the experience of other countries. A Questionnaire on International Comparisons was, therefore, framed and forwarded to the High Commissioners/Ambassadors of India in 27 selected countries. Only some countries responded and information on several issues was found to be incomplete. We had to refer to many journals and reports of International Labour Organisation and Common-wealth Secretariat to tie up the loose ends. We followed this up with a visit to countries like Malaysia, New Zealand, Canada and U.K. to complete our familiarisation exercise.

39.2 This chapter summarizes only the broad trends in the remuneration offered to public servants abroad. The international experience in downsizing and administrative reforms has been discussed elsewhere in the report.

SIZE OF EMPLOYMENT IN THE PUBLIC SERVICES

The rapid expansion in the public sector until the 1980s

39.3 Our study of the available literature shows that by the 1960s and 1970s, a major expansion in public sector was underway world-wide. The welfare role of the State had by then been recognized and taken form. In Central and Eastern Europe the Public Sector had come to be a basic tenet of the political system. In most developing economies, only Governments could have found the means to carry out the much needed large scale projects such as public utilities, infrastructure, industrial development, social services and health care. Thus the period until the 1980s saw a rapid expansion in the size of the work force in the

Public Sector The size of Public Sector employment for the period 1960-90 as per an IMF study is given below:-

Size of Public Sector Employment* as a percentage of total employment.

	1960	1980	1988	1989	1990
Australia	23.0	26.0	24.1	23.0	22.8
Canada	----	18.8	19.4	19.4	19.7
Finland	7.7	17.8	21.7	21.9	22.4
France	----	20.8	23.0	22.8	22.6
Norway	----	23.2	25.7	26.9	27.7
UK	14.8	21.1	20.8	19.6	19.2
United States	14.7	15.4	14.4	14.4	----

* Public Sector Employment here includes all Central, Regional, Provincial and Autonomous Public Institutions

39.4 It may be observed from the above table that Public Sector employment accounted for nearly one fifth of the total employment in most countries under study in 1990.

The experiments in downsizing

39.5 By the late 1970s, however, Public Sector had become a heavy drain on the national budgets all over the world. The early 80s brought along oil shocks, exceptionally high interest rates, falling commodity prices and a global economic downturn. The burden on the exchequers became unsustainable. Mounting foreign debt and interest payments began to cause concern. Any restructuring of the debt by the IMF and World Bank carried with it the obligation of reducing the size of government. It was the pressure to reduce public expenditure which became the primary stimulus for the "downsizing" exercises that have been underway in countries like USA, UK and Malaysia.

Information compiled from the Questionnaire on International Comparisons

39.6 Some information regarding the size of Federal Government employees and the amount spent on the salaries and wages of Government employees was also collected by us (see Annexure 39.1). Bearing in mind the caution that needs to be exercised while making cross-country comparisons (on account of differing concepts and definitions), we may, on the basis of the information available with us, broadly conclude as follows:-

- i) Amongst the countries that have responded, the share of the bureaucracy as a percentage of total population is the highest in Malaysia at 4.60% followed by 3.20% in Hongkong, 2.98% in Sweden, 2.50% in Indonesia and Thailand. The size of the federal bureaucracy as a percentage of total population is amongst the lowest in India and China, because of the large size of population in these countries.
- ii) Similarly, the expenditure on salaries and wages as a percentage of revenue expenditure is the highest in countries like Sri Lanka at 60%, followed by Malaysia at 40.6% and Indonesia at 19.0%.

India ranks fifth amongst the countries under study in terms of expenditure on wages and salaries as a percentage of revenue expenditure.

THE BROAD TRENDS IN PAY STRUCTURE IN PUBLIC SERVICES ABROAD

The broad trends in pay structure in Public Services abroad Basic Salary

39.7 From the information received in response to our questionnaire, we observe that the pay of the public servants all over the world consists of basic salary, allowances and bonuses. Most countries have not reported the ratio of the basic salary to the various supplements. However, as per a study conducted by the I.L.O., basic salary constitutes 70% to 80% of the monthly income in Germany, 80% in Hungary and 72.4% in Korea. This is probably because basic salary is often the only factor which is used in determining social security rights, unemployment benefits, old age pension and the level of certain other allowances. It is therefore, important that the basic salary accounts for a larger proportion of the pay.

Allowances

39.8 Most countries have reported that allowances and other fringe benefits are awarded to their employees in order to compensate for specific circumstances related either to work, such as working in remote areas or under dangerous conditions or to their personal or family situation. Others grant allowances for specific qualifications. Some developed countries have reported that allowances are offered mainly to make the public service more competitive. While in most countries allowances constitute a small proportion of pay, in Turkey it is observed that for high ranking civil servants, supplementary remuneration makes up the largest part of the emoluments. The language bonus and the hardship allowance are both quite high and the latter may even turn out to be the largest component of the salary for the civil servants who are working in the so called priority development areas.

Real Earnings

Salaries in the public services viz-a-viz the private sector

39.9 A fall in the real earnings of civil servants also appears to be fairly universal and as per an I.L.O. document, most countries like Argentina, Colombia, Mexico, Peru, Sierra Leone, Denmark, Germany, Greece, reported a fall in the real earnings of the civil servants for the period 1960-1990. We also observe that the salary scales in the private sector are slightly higher than the public sector in most cases (See Annexure 39.2). Where public service remuneration has deteriorated with respect to private sector remuneration, the motivation of workers has tended to suffer; there is a higher rate of moonlighting and a greater difficulty in recruiting qualified new workers. The bottom line has generally been an erosion in the quality of public services. That is why in some countries like Singapore an attempt has been made to reverse this trend by formally bench marking the salaries of the ministers and the civil servants to the salaries in the private sector.

Cost of Living Adjustments at OLA

39.10 In the past, the pay scales in several countries such as Denmark, France, Greece, Italy and United Kingdom were indexed to inflation. It seems however, that many countries have abandoned this system in recent years. The automatic indexation of wages of police staff in U.K. is soon to be terminated. In Denmark the automatic cost of living indexation scheme was abolished in 1982. France discontinued its quarterly adjustment of public service salaries in 1980s. Germany and Italy have also discontinued this practice. In general, countries which



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wherein everybody in civil service is employed on fixed-term contracts with performance related pay to deliver outputs that Ministers have contracted for.

Income Tax

39.13 It is also observed from Annexe 39.2 that the Federal employees' incomes are not exempt from Income Tax in most countries. But then income tax rates in these countries are much lower than in India. Countries like Sri Lanka have declared complete exemption of government servants salaries from Income Tax since 1977. Hongkong has exempted certain allowances only like House Rent Allowance, Travel Allowance and Children Education Allowance from Income Tax.

Retirement age and other terminal benefits

39.14 The international experience shows that retirement age varies between 60 and 65 years in most countries. Women have the option of retiring at 55 years. 80% to 90% of the last pay drawn is paid as pension in Sri Lanka. However, no gratuity is paid in Sri Lanka and the only terminal benefit available is pensions. It is also observed that in most cases like Canada, Hongkong, Indonesia, Japan and Sweden pensioners are protected against inflation. The heavy expenditure on pensions has made most countries think of a pension fund as an alternative. In Japan this scheme is already in existence. Further details are contained in our section on Pensionary Benefits.

Lessons from International Experience

39.15 As will be apparent in the later Chapters, we have tried to draw some lessons from the international experience. A major element in our strategy to improve the productivity of Government employees in India is the Performance Related Increment, the seed of which was derived from the Malaysian experience. The same is true of the use of the time clock even at the level of Prime Minister and Cabinet Secretary. Our suggestion about increase in age of retirement to 60 is based on international experience. We also drew inspiration from the trend towards right sizing of the bureaucracy in almost all the countries. Our recommendations on Pension fund take into account the lessons learnt elsewhere.

Need for update in data

39.16 There is a need, in our opinion, to have a continuous update on our information about what is happening to the bureaucracies of other countries. It is imperative that we join hands with organisations like the ILO and the Common-wealth Secretariat to generate information about the major trends. For this purpose, the Department of Personnel may bring out an annual publication on Public Services in India, summarizing the broad trends, and encourage other countries to do the same. Exchange of information through our diplomatic missions abroad should also be done on a regular basis.

Size of Federal Government Employees in Countries abroad

Sl. No.	Country	Number of Federal Government Employees (FGE) (Lakhs)	% of Work force	% of FGE to Total Population	Total Expenditure on Salaries & Wages as a percent of	
					Total Rev. Expenditure	G.D.P.
	1.	2.	3.	4.	5.	6.
1.	Australia	1.44	N.A.	0.80	4.4 (1993-94)	1.2 (1993-94)
2.	Canada	2.26	1.5	0.77	<---not reported---	
3.	France	<---		not reported---		
4.	Sweden	2.60	N.A.	2.98	<---not reported---	
5.	China	90.00	N.A.	0.75	<---not reported---	
6.	Hongkong	1.97	6.6	3.20	<---not reported---	
7.	Indonesia	45.00	--	2.50	19.0 (1990-91)	3.0 (1990-91)
8.	Japan	8.39	N.A.	N.A.	<---not reported---	
9.	Malaysia	8.80	12.9	4.60	40.6 (1995)	11.8 (1995)
					<---calculated---	
10.	Sri Lanka	4.30	N.A.	2.47	60.0 (total revenue)	not reported
11.	Thailand	15.0	N.A.	2.50	18.9	4.8
12.	United Kingdom	5.33	N.A.	N.A.	N.A.	N.A.
13.	India	38.9	1.2	0.46	13.6	2.1
					(1993-94)	(1993-94)

Source: Fifth Central Pay Commission.

* Total of Central and Provincial Government Employees.

** Of total Govt. Expenditure

*** White Paper on "The Civil Service: Continuity and Change" in U.

Annexe 39.2

1. Australia	Large Nos.	The Aus- talian Public Service operates within the Federal Industrial Relations System and negotiations are held between Govt. & Trade Unions.	1 : 7.66 (1.1.55)	No formal linkage but an informal relativity is main- tained	No direct link between Australian Public Service pay increases and cost of living.	Not exempted from Income Tax.
2. Canada	Large Nos.	Collective bargaining between employer & employee Till summer of 1997 collective bargaining banned. Instead, increase in wages restricted to 3% over 72 months.	1 : 9.15 (31.10.94)	No formal linkage but relati- vity with Private Sector is maintained. However public salaries are deliberately kept slightly lower than the Private Sector.	Except post office employees, none of the employees salaries protected by cost of living allowance.	Not exempted from Income Tax.

... in U.S. Government Employees.

Sl. No.	Country	Number of Pay Scales and groupings	Mechanism for pay review	Ratio between minimum and maximum emoluments	Relationship with Private Sector	Inflation adjustment	Exemption from Income Tax for FGE
1.	2.	3.	4.	5.	6.	7.	
3. France		(-----not reported-----)		1 : 6.6 (calculated)	Yes, salary scales in Private Sector Slightly Higher than civil servants.	not reported	Not exempted from Income Tax.
4. Sweden		No fixed pay scales. Each employing agency based on its requirement can hire people.	Revised through negotiations between Associations of employers and employees. Various factors like inflation, economic conditions etc. considered.	1 : 4	Yes, Govt. servants salaries adjusted to market levels.	Equivalent of DA doesn't exist. Cost of living Index indirectly constitute an important factor for negotiating higher increment in wages.	Not exempted from Income Tax.
5. China		12 grades with salaries ranging from US \$18.9 to \$144.6	not reported	1:8 (1993)	not reported	Inflation adjustment is adhoc and is paid in the form of an allowance.	Not exempted from Income Tax

Sl. No.	Country	Number of Pay Scales and groupings	Mechanism for pay review	Ratio between minimum and maximum emoluments	Relationship with Private Sector	Inflation adjustment	Exemption from Income Tax for FGE
1.	2.	3.	4.	5.	6.	7.	
6.	Hongkong	455 grades 1250 ranks or job levels pay scales for different groups. (unified Civil Service common appointment procedure disciplinary code and conditions of service)	Revised on the basis of the findings of the annual survey conducted on the emoluments admissible in the Private Sector. Other factors like economic conditions budgetary constraints, cost of living etc. considered.	1:40 (1995)	Linkage is recognised formally and qualification benchmarking exists.	Increase in the cost of living is an important consideration but not full compensation is given.	Not exempt from salary tax.
7.	Indonesia	4 groups of pay scales varying with the length of service.	Not automatic. Revision done through presidential decree and Govt. regulations.	1:6.9 (1995)	No linkage but pay scales in the Private Sector are higher at the higher levels and lower at the messenger level	No allowance to compensate erosion in real income or pay.	Government employees pay income tax notionally. Govt. pays income tax in lieu, which is 15% of salary irrespective of rank/amount of income.

Pay Structure in Countries abroad

Annexe 39.2

Sl. No.	Country	Number of Pay Scales and groupings	Mechanism for pay review	Ratio between minimum and maximum emoluments	Relation-ship with Private Sector	Inflation adjustment	Exemption from Income Tax for FGE
1.	2.	3.	4.	5.	6.	7.	
8. Japan	Large Nos./no fixed pay scales	For officers NPA makes recommendations and for industrial staff in Govt. enterprises through collective bargaining.	Can't be calculated in Japanese Govt.	NPA attempts to bring NFE salary at par with Pvt. Sector relationship between Govt. & Pvt. Sector salary scales.	COLA doesn't exist, salaries of National Public Employees revised to offset increase in cost of living index.	Not exempt from income tax.	
9. Malaysia	11 Officer level scales	By special cabinet committee every 3 yrs. but not automatic.	1:3	No relationship	COLA has been done away with.	Not exempt from income tax.	
10. Sri Lanka	9 salary scales, uniform across all the 3 services	Revised by a permanent salary cadre committee. At times by High Power Committees.	1:2.68 Ratio between Secretary and entry level of officers	No formal relationship exists. Pvt. Sector is paid twice as much that in the Govt.	COLA exists but not linked to COLI. It is at discretion of Govt. to sanction cost of living allowance.	Exempted from Income Tax since 1977	

Sl. No.	Country	Number of Pay Scales and groupings	Mechanism for pay review	Ratio between minimum and maximum emoluments	Relationship with Private Sector	Inflation adjustment	Exemption from Income Tax for FGE
1.	2.	3.	4.	5.	6.	7.	
11.	Thailand	11 pay scales (24 steps) Generalist and Specialist lists and too management groups are given some additional allowances.	On the recommendations of the Civil Service Commission headed by P.M./Deputy P.M.	1 : 9	Informal relationship with the Private Sector is maintained.	No equivalent of DA in Thailand. In fact, salaries of Civil Servants are revised frequently to take care of increase in the cost of living.	Basic salary and most of the allowances subjected to income tax. However, certain allowances like HRA, TA, Children Education Allowance etc. are not taxed.
12	India	62 on the recommendations of the Pay Commission		1:10.7	No linkage. B.A. is paid but pay scales to neutralise in the private sector are higher at the living higher levels and lower at the lower levels.		not exempted from Income Tax

Source: Data collected by the Fifth Central Pay Commission.

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Pay Determination : A Conceptual Frame

INTRODUCTION

*Terms of
reference*

40.1 We have been instructed in our Terms of Reference to "evolve the principles which should govern the structure of emoluments and those conditions of service of Central Government employees which have a financial bearing". Earlier Pay Commissions have also grappled with this subject, with varying results. It is not our intention to traverse the same ground. We would only draw attention to some emerging trends and the impact it has had on our thinking, while taking decisions on pay determination.

Mega-trends

40.2 As we move towards the twenty first century, some trends have come into sharp focus and these may be briefly referred to as under :

- a) We are moving towards a period of less visible governance. Governments will increasingly withdraw from direct control of mining, manufacturing, trading or service activities. The emphasis will shift to facilitation and regulation of ensuring and refereeing the fair competition among private, cooperative, corporate and other non-governmental forms of enterprises.
- b) With the third tier of governance being formally mandated by the Constitution, there would be progressive need for reorienting the bureaucracy to provide effective coordination of multifarious activities at the Panchayati raj level. This would require substantial reduction of bureaucracy at Central and State levels and its strengthening at the lowest level.
- c) There would be a steady and persistent pressure on budgets, which will force governments to right size the bureaucracy drastically.

Section II

Principles for Pay Determination



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- d) At the same time, the wage levels in other sectors will be so volatile as to incite government employees to collective bargaining methods for bringing about parity with the compensation packages available elsewhere. The net result would be that governments would be forced to have less people and pay them better.
- e) The trend would be towards an officer-oriented administrative set up. Thus there would be a tendency towards reduction of numbers at the supporting and auxiliary levels. Such reduction would be achieved through multi-skilling.
- f) There would be a great emphasis on professionalisation of Government, as a result of which the compensation packages of all professionals like managers, doctors, scientists, computer professionals etc. would have to be specially jacked up.

Modified principles necessary

40.3 Viewed in the light of the above mega-trends, the application of the principles of pay determination as enunciated by the previous CPCs will undergo suitable modifications. We have tried to do so in the manner described hereafter:-

CHARACTERISATION OF A SOUND PAY STRUCTURE

Three characteristics

40.4 The earlier CPCs had referred to three characteristics of a sound pay structure - inclusiveness, comprehensibility and adequacy. There is no doubt that these characteristics are as valid today as ever.

Inclusiveness

40.5 Inclusiveness implies that the broad patterns of pay scales that have been adopted for the civil services will be uniformly applied everywhere, especially in areas where some autonomy has been provided.

As applied to R'S

40.6 We would like to point to a few instances of departments which have not put their autonomy to the best use and have infringed the principle of inclusiveness. The scientific departments were allowed at one stage to devise certain special schemes for a smoother and quicker career progression of scientists. Initially, certain parameters were held to be sacrosanct. For example, when the Flexible Complementing Scheme was launched it was meant to be applicable only to Group 'A' scientists engaged in research and development. Unfortunately, over the years, FCS has degenerated into a routine time-bound promotion scheme not only for Group 'A' scientists engaged in R&D, but even scientists of Group 'B' and 'C' categories, even scientists not engaged in R&D, and even non-scientists like artisans, ministerial staff and the like. We have had to take resort to the principle of inclusiveness and modify the FCS so as to make it applicable only to Group 'A' scientists once again. At the same time, we have broadened its application in the new milieu to all Group 'A' R&D professionals. The principle of inclusiveness justifies a comparison between professionals of different disciplines, but they should belong to Group 'A' and be involved with research and development.

*As applied to
defence artisans*

40 7 Another example is that of the grade structure prevalent in the railways, as opposed to the defence production units. The relative autonomy enjoyed by the Railway Board because of its peculiar administrative structure enables the Railways to resort to solutions that cannot even be conceived of by other departments, least of all by a conservative department like Defence. The unions of the railways also have greater bargaining power, as compared to the defence associations. Resultantly, we found that the intergrade ratios achieved by the railway artisans were much superior to those prevalent in defence production units. In theory, the railways had arrived at these ratios through a meticulous exercise based on functional considerations. In practice, the fact that all such ratios in different disciplines were the same told a different story. It could not even be argued in extenuation that sophistication in terms of technology in the railways was superior to that prevalent in defence production units. We used the principle of inclusiveness to grant a superior inter-grade ratio to the defence units, based on the example of the railways.

Comprehensibility

40 8 Coming next to comprehensibility, we agree with the finding of the previous CPCs that a pay scale should normally give a total picture of the emoluments of a post, rather than being fragmented into a number of allowances. We have, therefore, tried to rationalize allowances wherever possible. This rationalization has been attempted in a number of ways:

- a) Where two allowances were found to be subserving the same object, we have abolished one of them. This has been necessary, especially because of the scheme of Performance Related Increment.
- b) There are cases where a number of allowances were being granted for the same general purpose. In such cases, the allowances have been merged into a single allowance and given a generic name.
- c) In many cases, allowances were actually called "pay". This resulted in confusion as to whether they would be counted as "pay" for various purposes. We have renamed all such "pays" as "allowances". The reverse is also true.
- d) We have tried to abolish special pays in a number of cases and awarded a higher pay scale in lieu thereof, in order to give a more transparent pay package to those posts.

Adequacy

40 9 The third requirement is that of adequacy. Most government employees have a feeling that their emoluments are inadequate with respect to their skills, educational qualifications, experience, duties and responsibilities, but also as compared to their peers outside the Government. We will be dealing with these questions later in this chapter.

SUPPLY AND DEMAND CONSIDERATIONS

Group's scales

40 10 This criterion which was first enunciated by the Islington Commission has been decried by subsequent Commissions. It appears reasonable as a purely economic criterion, but it fails the test of being acceptable on other

considerations. To take a single illustration, it is quite evident that an entrant to Group D Service today would be available even at Rs. 1500 or Rs.2000, not because these amounts are sufficient but due to the unemployment situation in the country. We cannot, for that reason, award very low pay packets to the entrants to Group 'D' services.

*High-wage
Islands*

40.11 On the other hand, there are high-wage islands like those of airline pilots who command a very high price due to supply and demand considerations. We have taken these into account while deciding upon the total packages for BSF pilots or the pilots of fighter aircraft in the Indian Air Force, although we have not been able to take these anywhere near what is being offered in the private sector.

*Minimum and
Maximum Wage*

40.12 On both the minimum and maximum wage, we have tried to evolve other more humane, rational and realistic criteria and these have been explained at great length in the relevant chapters.

EQUAL PAY FOR EQUAL WORK

*Defining 'equal
work'*

40.13 As a principle, the 'equal pay for equal work' criterion has been used widely by the higher courts. Incidentally, it may be mentioned that the Canadian Human Rights Act has further amplified the concept to include "equal wages for equal value of work". Theoretically, nothing can be said against it. In practice, it is extremely difficult to define what equal work is.

Job Evaluation

40.14 Job evaluation is a technique that has been practised in some departments. The Expert Classification Committees of the Ministry of Defence are one example. We had also appointed inter-Departmental Committees for several common categories. Where the categories are nearly the same in terms of qualification, job description, designation, method of recruitment, promotion avenues, etc., there has been no difficulty and we have been able to suggest uniform scales of pay in model cadre structures for adoption by all the concerned departments. Wherever it was found that most of the parameters matched and one or two did not, we have suggested parity in pay scales subject to qualifications being upgraded or resort being had to direct recruitment.

Relativities

40.15 Much more intractable are the questions of horizontal relativities between say a forest guard, a Constable of a central police organisation, an army soldier and a skilled artisan. There is a lot of history in each equation and each lack of equation. We have had to take the bull by the horns in such cases and arrive at certain conclusions based on our general experience. For example, we have equated Forest guards to the Constables of CPOs, but we have maintained the differentials between the CPO Constable, the Army soldier and the Skilled artisan.

*Ministerial and
Artisan cadres*

40.16 There was a certain warped relativity between the ministerial and artisan cadres. While the LDC (Rs 950-1500) was promoted to UDC (Rs 1200-2040) and then to Assistant (Rs 1400-2300), the skilled artisan (Rs.950-1500) rose to Highly Skilled II (Rs 1200-1800), then to Highly Skilled I (Rs 1320-2040) and then to master craftsman (Rs 1400-2300). We merged the scales of Rs 1200-2040, Rs 1200-1800 and Rs 1320-2040 to arrive at a single scale of Rs 1320-2040. One rung out of the two Highly Skilled categories was made to disappear. This has provided some relief to the artisan category.

Qualification-based pay scales

40.17

We are suggesting in a later chapter that there should be a permanent pay body, so that it can keep on studying the parameters of different jobs and develop more objective criteria for job evaluation than are available at present. Although it is not very scientific or conclusive, we felt that as a preliminary step towards rationalisation, the entry qualification could provide a fairly reliable clue. It will be noticed that we have attempted a broad rationalisation of pay scales across cadres and departments, depending on whether the entry qualification is middle pass, matriculation, 10+2, matriculation with ITI Certificate, 10+2 with a 2-year diploma, 10+2 with a 3-year diploma, an ordinary degree, a degree in agriculture, horticulture, law, engineering, etc. or a post-graduate degree. The results may not be perfect, but one can have some justification that at least the educational qualifications have been recognised.

FAIR COMPARISON

Use of the criterion

40.18

We have used "fair comparison" to a large extent in our deliberations. In almost every discussion, we have tried to make comparisons across cadres, departments, state governments, public sector enterprises, the private sector and even internationally.

Central scales no longer the best

40.19

As a general observation it would be useful to point out that while the Central Government's pay scales used to be, once upon a time, the leading pay scales, it is no longer so. Banks, PSUs and the private sector have marched ahead, for obvious reasons. But that even the cash-strapped State Governments should pay their employees more is surprising. The Junior Engineers have given a comparative statement of pay scales granted to Junior Engineers by the various State Governments; the State Government scales seem to be higher. Same is true of the police personnel. Even the Provincial Civil Service Officers now have higher pay scales than IAS Officers, with the result that their adjustment on promotion is becoming a problem.

Strict control by MOF

40.20

What this means is that the Central Government has been somewhat conservative in granting pay increases. This shows that the control of the Ministry of Finance over pay scales is quite stringent. That this is so is also exhibited by the tight control exercised on the sanction of posts. The Central Government has witnessed a compound growth rate of just 1% per year in its civilian posts.

Greater responsibility on 'PC'

40.21

There are two conclusions to be drawn from this. First, it is necessary for the Central Government not only to control but even to reduce numbers. Only the requisite political and administrative will is required. Secondly, the Ministry of Finance being so conservative during the decade intervening between the Pay Commissions, a greater responsibility devolves upon any Pay Commission to be reasonable and pragmatic, and try to bridge the widening gap between the compensation packages of the Central Government and the rest of the economy. We hope that we have performed our task well.

PRODUCTIVITY

40.22 As far as productivity is concerned, we have devoted a full chapter to it, which we commend for close scrutiny.

MODEL EMPLOYER

40.23 As stated above, the Central Government is now neither the model employer nor a good employer. With its burgeoning budgetary deficit, the only hope of the Central Government becoming a good employer is for it to right size the bureaucracy first and then pay it adequately.

OUR APPROACH TO PAY DETERMINATION

40.24 We would like to state that there is a modicum of truth and relevance in each of the general principles of pay determination that have been used in the past. In addition, we would like to state a few more criteria that we have found to be useful in our analysis.

Intrinsic value of a job

40.25 The first is the "intrinsic value of a job". This is a summation of all the factors that one can think of in relation to a job - the skills, the arduousness, the work atmosphere, the qualification, the recruitment procedure, the chances of career progression, the status, the security, the prestige, the perquisites - everything that is quantifiable and non-quantifiable.

Linking smaller entities to larger ones

40.26 The second is the need to link smaller entities to larger entities. Our attempt throughout has been to collect isolated posts and place them in a cadre, pick up cadres and put them in a service. We have suggested new All India Services for medical and engineering fields and Central Services in the fields of veterinary science, agriculture, informatics, shipping, archaeology, archives, library and so on.

Delinking pay from position

40.27 The third is the need to delink pay from position in the hierarchy. The entire scheme of Assured Career Progression is about granting a person pay upgradation, when functional considerations do not permit his rise in the hierarchy. He continues to perform the same job as before but moves into the next higher scale. The idea here is the basic one that a person needs more money as he becomes older, but he may not receive a promotion because there is no need for another post in the hierarchy. Our effort is to relieve stagnation without unduly upsetting the hierarchy.

Justice to all Central Government employees

40.28 The fourth is that we have recognised the need to be even-handed in justice towards the lowest and the highest-paid functionaries. For the entrant to Group 'D', we have given a jump of 3.25 times, much more than what our consultants had suggested. For the higher cadres we have introduced the concepts of full neutralisation of cost of living and giving allowances and pensions net of income tax so that they receive the full compensation package as decided by us, without its being decimated by inflation or tax policy.

*Policy on
allowances*

40.29 With regard to allowances, our policy has been to recognise that these should either reimburse in full the expenses incurred by the employee (as in the case of travelling allowance, daily allowance or medical reimbursement), or the reimbursement is more liberal than at present (as in the case of house rent allowance or city compensatory allowance), or the compensation for loss incurred is raised substantially so as to match the loss (as in the case of Non-Practising Allowance). In some cases, we have been forced to sanction new allowances like transport allowance (in view of the heavy expenditure incurred on commutation between office and residence), attendant allowance (in view of the fact that large number of officers have orderlies and batmen and only a few do not) or entertainment allowance (in view of the fact that officers partake of dinners with other people and should be in a position to return the hospitality)

Capacity to pay

40.30 Above all, we have always kept the capacity of Government to pay uppermost in our mind. The financial implication of each demand was calculated in detail and decisions to accept, not accept or only partially accept a proposition depended largely on the expenditure they involved. We are happy that we have been able to accommodate some of the demands of the employees without unduly inflating the pay bill of the Government. In the final analysis, we shall consider our efforts worthwhile only if we have succeeded in maintaining a balance between the interests of the Government and the interests of the employees.



Determination of the Minimum Salary

INTRODUCTION

Our approach

41.1 When we come to the nuts and bolts of determination of pay scales in Government, we realize that the first exercise is somehow to fix the two ends of the spectrum. Once we arrive at the minimum and maximum salaries on the basis of rational and pragmatic criteria, it becomes relatively simple to deduce the scales which fall in between. We, therefore, start our analysis by considering the various parameters that ought to be kept in view while fixing the minimum salary.

41.2 Although in the context of the Government it is more relevant to speak in terms of 'minimum salaries', much of the literature deals with the concept of 'minimum wages'. We may, therefore, take these terms as broadly synonymous for the purpose of our general understanding.

LEGISLATION ON MINIMUM WAGES

*The Minimum
Wages Act, 1948*

41.3 By 1938, legislation on minimum wages was firmly in place in most countries like Australia (1896), New Zealand (1894), Great Britain (1909) and USA (1938). The evolution of minimum wage legislation in India, can, however, be traced back to the Minimum Wages Act of 1948. The Minimum Wages Act aims at preventing exploitation of workers in scheduled employments by fixing minimum rates of wages. The coverage of the act is selective, as it aims at protecting workers mainly in the unorganised industries. The Act empowers the Government to add to the list of employments given in the schedule and prescribes that the minimum wage should consist of basic and variable elements (with or without linkage to the cost of living). What the Act does not comment on is what should go into the determination of minimum wages.

Article 43 of the
Constitution

41.4 The role of the State in securing a living wage was recognised in the Article 43 in the Constitution of India, under the Directive Principles of State Policy which reads as follows:

"The State shall endeavour to secure by suitable legislation or economic organisation or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas."

The 15th ILC
(1957)

41.5 It was at the 15th Indian Labour Conference in 1957, that for the first time the concept of minimum wages crystallized and a consensus was arrived at about the factors which should go into the determination of minimum wages. The norms were to be as follows:

- (a) Three consumption units for one wage earner i.e. four consumption units per family.
- (b) Minimum food requirement of 2700 calories per average Indian adult.
- (c) Clothing requirement of 72 yards per annum per family.
- (d) Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme
- (e) Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of total minimum wage

Thus, in 1957, 'Minimum Wages' evolved as a need-based concept.

ILO (1968)

41.6 In 1968, a few more criteria for determination of Minimum Wages came to be recognised when the International Labour Organisation listed three criteria for fixing minimum wages. These were (i) the needs of the worker, (ii) the capacity to pay of the employer and (iii) wages paid for comparable work. In 1969, the capacity to pay was explicitly admitted as a relevant factor by the National Commission on Labour, when it held that in fixing the need-based minimum wage, the capacity to pay should be explicitly taken into account.

Supreme Court
Judgement 1991

41.7 In 1991, the Supreme Court in a judgement in the case of *Reptakoo Brett and Co. versus others* opined that the criteria recommended by the Indian Labour Conference 1957 may not suffice. It held that an additional component for children's education, medical requirements, recreation including festivals/ceremonies and provisions for old age and marriage should constitute 25% of minimum wages.

Minimum Wages
Advisory Board
1991

41.8 The Minimum Wages Advisory Board (Central) in its 24th Meeting in 1991 recommended that minimum wages should be linked to

productivity and the appropriate Government under Minimum Wages Act may fix piece rate wages wherever feasible.

ILCO (1992)

41.9 The Indian Labour Conference in its Thirtieth Session in September, 1992 opined that while the tendency to fix minimum wages at unrealistically high levels must be checked, implementation of wages once fixed must be ensured. It felt that the implementation machinery, consisting of labour administration in the States, had been far from effective. It was desirable that a greater role was played by workers' organisations, non-governmental voluntary organisations etc. instead of enlarging the army of inspectors for this purpose.

*National
Minimum Wage*

41.10 The subject of a National Minimum Wage has been considered by several bodies and fora in the past. The National Commission on Labour (1969) was of the view that such a wage in the sense of a uniform minimum monetary remuneration for the country as a whole was neither feasible nor desirable in view of the variation in prices across regions and differences in capacity to pay across employers. The 28th Indian Labour Conference (1985) also discussed the need for a national minimum wage. It was felt that till such time as a national wage became feasible, it would be desirable to have a regional minimum for which the Central Government may lay the guidelines.

APPROACH OF THE PREVIOUS PAY COMMISSIONS

*The approaches
for the
determination of
Minimum Wages.*

41.11 The foregoing paragraphs would indicate that the subject of Minimum Wages is steeped in controversy. The following appear to be some of the approaches for the determination of minimum wages:

- (i) The need-based approach
- (ii) Capacity to pay approach
- (iii) Relative parities approach
- (iv) Job evaluation approach
- (v) Productivity approach
- (vi) Living Wage approach

41.12 The decision of the previous Pay Commissions on minimum wages was often determined by some kind of a harmonization between the first two i.e. the need-based approach and the capacity to pay approach. This was essential because a minimum wage which was found to be socially desirable was not necessarily economically feasible. Job evaluation and measurement of productivity was not found to be feasible by the earlier Pay Commissions and fair comparisons with the public and private sector were also not conceded by them. Regarding living wages they observed that a living wage was a desirable level towards which the State must endeavour to reach. The concept however is inherently elusive, for it advances with the prosperity of the economy or State. It may be of some interest to note how the different Pay Commissions have addressed the problem so far.

*The approach of
the First CPC*

41.13 The First CPC observed "The theory that State should be a model employer requires that a Government which proposes to sponsor minimum wage legislation for private industry must be ready to give the benefit of that principle to its own employees. The application of minimum wage rule has always been recognised to be subject to the limitations imposed by the general economy

Among the Members of the Commission, opinion is not unanimous on the point. After some discussion, majority of the members agreed that Rs 55 per mensem (made up of Rs 30 as basic salary and Rs 25 as dearness allowance) would be a fair minimum wage "

The approach of the Second CPC

41 14 The Second CPC was required to make its recommendations on minimum wages in the backdrop of the Fifteenth Indian Labour Conference. A consensus had by then evolved on the need-based norms for determining the minimum wages. Regarding the figure of Rs. 125 arrived at on the basis of the norms prescribed at the ILC, the Second Pay Commission observed " This would be about 70 to 80 per cent higher than the rates generally prevailing in the organised sector and it would be well above the highest wages i.e. Rs 112 then in the cotton textiles industry in Bombay. We have considered if a minimum remuneration of this size is at all feasible at the present level of our economic development.. The minimum wages cannot be of the order of Rs 125, when on the basis of National Income the average for a family works out only to Rs.97 minimum remuneration payable to a Central Government employee which at present is Rs 75 per month should be increased to Rs 80 "

The approach of the Third CPC

41 15 The Third CPC also based its approach on the 15th Indian Labour Conference norms and calculated minimum wages at Rs 314 per month. This, when compared to the then existing emoluments of Rs 170, would have meant an increase of 80-90%. The minimum salary in private sector ranged from Rs. 170 to Rs. 385. However, the Third CPC did not accept comparisons with the private sector. As there existed a nexus between the private and public sector salaries, they did not accept comparisons with the public sector either. They rejected the Indian Labour Conference norms on the ground that Central Government employees could not be treated as a specially privileged section of the community and guaranteed a need-based minimum wage as per the Indian Labour Conference norms, when the barest essentials could not be provided to millions of their less fortunate compatriots. The Third CPC calculated minimum wages at Rs 196 based on modifications of Indian Labour Conference norms as suggested by Institute of Applied Manpower Research in 1968, but recommended Rs.185 as minimum wages. They felt that Rs 196 was an overestimate. However, at the implementation stage, a minimum wage of Rs. 196 actually came into effect.

The approach of the Fourth CPC

41 16 The Fourth CPC observed that the State as a model employer was expected to move in the direction indicated by Article 43 towards a living wage and a decent standard of living. They were content with the State being a "good" employer as against a "model" employer and fixed the minimum salary at Rs 750/- . The methodology for arriving at this figure was not outlined however

HISTORICAL TREND IN MINIMUM SALARIES

The increase in real terms in the emoluments at the lowest level

41 17 The minimum salaries fixed by the earlier Pay Commissions and the trend in emoluments received at the lower level at different periods in time are summarised in the Table given below

Peon's Emoluments (Pay + DA)

Year-	1948	1949	1960	1973	1986	1988	1990	1992	1994	1996
1st	1st		2nd	3rd	4th					
CPC	CPC		CPC	CPC	CPC					
Emolu- ments (in Rs.)	55	65	80	196	750	885	1035	1283	1530	1860
Index of Emolu- ments	85	100	123	302	1154	1362	1592	1973	2354	2862
AICPI Index	97	100	124	252	754	895	1039	1311	1546	1874
Index of real earnings	88	100	99	120	153	152	153	150	152	153

(All indices are with 1949 as base)

Real Wages up 41.18 It will be observed from the Table that the emoluments of a peon in 1949 have not only been fully protected against inflation, but have gone up in real terms to the extent of 53 per cent. This has been done as a measure of deliberate policy in order to raise the standard of living of the lowest paid employees and to bridge the gulf between lowest and highest salaries.

PRESENT SITUATION

Categories involved 41.19 Today, the pay scale of Rs 750-940 is the minimum scale in Government. The categories of employees found in this scale are those of peon, farash, sweeper, chowkidar, cleaner, packer, beidar, mali, watchman, tea-maker, miller, workshop helper, bearer, wash-boy, durban, bhishice, etc. There were around 5.66 lakh employees in this pay scale as on 31.3.94.

Emoluments today 41.20 Besides a minimum of Rs 750/- in terms of basic salary, an employee at the entry level is entitled to Dearness Allowance of Rs 1110, (as on 1.1.1996) House Rent Allowance of Rs 150, City Compensatory Allowance of Rs 30, a monthly bonus of Rs 155 p.m. and two interim reliefs of Rs 100 each. Some employees also get an overtime allowance over and above this.

COMPARISON WITH PUBLIC SECTOR EMPLOYEES

Information collected by the Fifth CPC 41.21 Some data has been collected by us on the comparable levels of pay + DA in various public sector undertakings. Annexure-41.1 summarizes the findings as on 1.1.1995. The figures reported vary from Rs 1744, in Delhi Transport Corporation to Rs 2902 in the Indian Telephone Industries. The average of 27 PSUs yielded a figure of Rs 2609, as against Rs 1688 for the Central Government, showing a difference of Rs 921 on that date. The gap has widened since then.

Information
collected by the
NPC

41.22 Annexe-41.2 states a similar position in respect of 27 PSUs, as compiled by the National Productivity Council for 1.1.1995. Here, the National Textiles Corporation has been shown as paying Rs 1605 while the Indian Telephone Industries have a figure of Rs 2902. The average is Rs.2514 and the difference as compared to the Central Government has been indicated as Rs.826.

Information
submitted by the
JCM

41.23 Annexe-41.3 is a table submitted by the staff side of the National JCM. From this it is observed that the range of emoluments varies from Rs.2254 as paid by ONGC at the lowest level to Rs.2977 as paid by Damodar Valley Corporation at the highest level. The average has been calculated as Rs.2400 and the difference vis a vis the Central Government has been calculated as Rs.870.

41.24 The Staff Side have also brought to our notice the increase in wages of public sector workers effective from 1.1.1991/1992, which is in the neighbourhood of 15% approximately. Coupled with the addition of industrial D.A. @ Rs.2 per point for the increase of 270 points in the AICPI between 1.1.1994 and 1.1.1996, they have worked out the overall gap between the minimum emoluments in the public sector and the Government at Rs.1,240 p.m. as on 1.1.1996.

COMPARISON WITH THE PRIVATE SECTOR

The NPC Study

41.25 Data about the private sector is difficult to obtain. However, some information has been gathered by the NPC for us through a survey of 209 respondents holding jobs such as Restaurant Waiter, Shop Assistant, Lift Attendant, Auto Driver and Private Bus Conductor, etc., which could be treated as 'next best alternatives' to jobs held by the lowest functionaries in the Central Government.

Some of the conclusions of the NPC study are :

- The average age at entry is 25 years, both in Central Government and the private sector
- 93% of Central Government employees with current age below 25 years are married, while only 50% are married in private sector
- Those in the private sector tend to have relatively smaller families
- The average salary of the lowest functionaries in Government is Rs.23,638 per year, while the figure for the private sector is Rs.20,721
- The life-time salaries which include Basic, Dearness Allowance and Interim Relief in the Government and private sector are Rs 9.47 lakhs and Rs 8.28 lakhs respectively

The life-time emoluments which include salary and allowances in the Government and private sector are Rs.11.26 lakhs and Rs 9.08 lakhs respectively

The life-time earnings which include emoluments and bonus in the Government and private sector are Rs.12.00 lakhs and Rs.9.09 lakhs respectively

46% of Central Government employees stayed in allotted accommodation, whereas only 19% of the private sector employees had such accommodation

COMPARISONS WITH STATE GOVERNMENTS

Information based on the questionnaire circulated by the Fifth CPC

41.26 A comparison with State Government employees based on the questionnaire circulated by us reveals that most States have placed their peons in the pay scale of Rs.750-940, except for Goa (Rs 775-1025), Himachal Pradesh (Rs.750-1350 with a start of Rs 770) Mizoram (Rs 800-1150), Tripura (Rs.775-1130) and West Bengal (Rs.800-1265). There are yet other States like Andhra Pradesh where a higher pay scale of Rs 1375-2775 has been given to a peon but this is primarily on account of a later date of revision (1992). (See Annex-41.4)

EXPECTATIONS OF THE EMPLOYEES

The demands made by the employees

41.27 The Commission has received several memoranda wherein the issue of minimum wages has been discussed. The demands range from a minimum of Rs 2500 to a maximum of Rs 3340. The views of some important associations are detailed below

The demands made by the JCM

41.28 According to the staff side of the National JCM, "...The Central Government employees in the fifties and up to Second CPC were in terms of emoluments better placed than others. This position however started to change from 1958-59 onwards when the wages of Central Government started sliding back as the time passed and today they are behind most public sector workers. This happened primarily because wage revisions in all other organised sectors took place more frequently after every three to five years through bilateral negotiations whereas in the Central Government revisions took place only after 10 to 15 years. This has resulted in serious demoralisation and a sense of grievance is building up in the employees of the Central Government. As job evaluation is not possible and as the Government is not committed to implementing the 15th ILC norm, the principle which should be evolved by the Fifth Central Pay Commission for fixing a minimum wage should be based on fair comparisons. A comparison with the public sector as on 1.1.94 shows that while on an average in PSUs a pay + DA of Rs 2400/- is available, in Government this is Rs 1530 only i.e. a differential of Rs.870 exists." In their subsequent letter on 27.2.96, the JCM further stated "Since the submission of our memorandum, wages have been revised in almost all public sector undertakings and most conservatively calculated, the average increase in the salaries of PSU employees has been to the tune of 15%. With the addition of 15%, our demand of Rs.2400/- as the minimum has been raised to Rs 2760/- (Rs 2400/- + Rs 360/-) as on 1.1.94." Further, on account of an increase on 21%

in the CPI during 1994-1995, an addition of Rs. 580 has taken their demand to Rs.3340 (2400+360+580).

Demands made by Bharatiya Railway Mazdoor Sangh

41.29 Bharatiya Railway Mazdoor Sangh have proposed that a family for the purpose of computation of the minimum wage should be assumed to consist of 5 consumption units. This figure is based on the findings of a survey conducted by Dr S. Subramaniam, an eminent statistician. The Sangh has computed the minimum basic pay of Rs.2600 at the AICPI of 1302 (Base 1960=100) for the lowest functionary.

All India Railway Employers' Confederation

41.30 All India Railway Employees Confederation have also demanded that a family should be taken to consist of five members. The Commission should determine a need-based minimum wage and incorporate changes in the food habits noticed over the years. It should include non-vegetarian items in the diet which were left out by the Third CPC. They have demanded a minimum basic pay of Rs.2500 as on September, 1993 for the lowest functionary.

Expectations as per NPC study

41.31 According to the study conducted by the National Productivity Council the respondents surveyed by them expected the basic pay to be at least Rs.2000, with the maximum expectation being as high as Rs.5000. However, the mean was found to be Rs.3450 and the maximum number of respondents expected the basic pay to be fixed at Rs.3500.

41.32 A large number of memorandists have desired that the concept of "living wage" should be made the basis for fixing the minimum salaries.

THE NATIONAL PRODUCTIVITY COUNCIL STUDY ON MINIMUM SALARIES

The NPC Study

41.33 In order to obtain an expert view on the entire gamut of issues concerning the determination of minimum salaries in Government, it was decided to commission a study on the subject through the National Productivity Council.

41.34 The National Productivity Council has listed the approaches for the determination of minimum wages as those based on the Income Criteria and those based on Consumption Standards. The various methods used by NPC are detailed below:

MINIMUM PAY BASED ON NATIONAL INCOME CRITERIA

The Per Capita NNP Method

- (a) Here the underlying assumption is that as the average per capita NNP represents the living standard of a typical Indian, the minimum salary payable to a Central Government employee at the lowest level should not be lower. Projections of per capita NNP have been made on the basis of past trends for family sizes of 3, 3.5 and 4 units.

*The Per Capita
Disposable
Income Method*

- (b) This method is based on the same considerations as in (I) above, except that as against NNP, "disposable income" has been used as the norm

*NNP-Minimum
Salary Ratio*

- (c) This approach assures a fixed ratio of minimum salary to per capita income, in order to ensure that the relative position of the Government employee vis a vis an average citizen remains unchanged. For this purpose, the ratio of 29/60 based on 1986 figures has been extrapolated to 1996 and applied to an annual per capita income of Rs.8559.90.

*Constant Relative
Real Income
Criterion*

- (d) Previous CPCs have arrived at the minimum remuneration payable to the lowest functionary by adding Dearness Allowance and Interim Reliefs to the basic pay and adjusting the total by a compensation factor. This factor has been based on the increment in the real per capita income during the interval between two Pay Commissions. Whereas the first three CPCs applied 5% of the basic pay as the compensation factor, the Fourth CPC adopted a norm of 20%.

NPC has estimated that the real per capita income grew by about 28% during the period 1986-87 to 1995-96. This has been taken as the compensation factor for the fixation of the minimum salary under the Relative Real Income Criterion

MINIMUM PAY BASED ON CONSUMPTION STANDARDS

*Consumption
standards based
on NSS (48th
Round)
Consumption
Norms*

- (e) The objective here is to arrive at the minimum salary levels that will ensure a pre-determined consumption standard for the employee and his family. The first approach is to use the data of the NSS (48th Round). Since the survey was conducted in 1992, the consumption norms have been adjusted for increments in consumption between 1992-93 and 1995-96.

*Consumption
standards based
on Poverty Line
Norms*

- (f) Under this criterion, the underlying consideration is that Government being a model employer needs to ensure that the minimum salary paid to the lowest functionary does not take him below the poverty line.

*Consumption
standards based
on Calory Intake
Norms*

- (g) Here the need-based minimum wages based on the diet recommended by Dr.Patwardhan during the Second CPC and by ICMR 1968 during the Third CPC have been extrapolated

MINIMUM PAY BASED ON COMPARABLE WAGES

*Based on
Agricultural
Wages*

- (h) Here NPC has attempted to use the monthly income of agricultural labourers as a yardstick for identifying the next best

alternative source of income available for an unskilled person
The monthly money wages have been computed using the
standard 23, 24 and 28 working days

Based on
Minimum Wages
Act, 1948

- (i) Another indicator of the next best alternative income is the monthly salary based on norms accepted under the Minimum Wages Act, 1948 in the fields of construction, agriculture loading/unloading and mining

Minimum salary
based on different
methods

41.35 The figures of minimum salary based on the different methods as calculated by the NPC are summarized in the table below :

Sl No	Criteria	Family Size Adult Consumption Units			Unspecified
		5	5.5	4	
1	<u>Income Method (Direct)</u>				
	I Per Capita NNP				
	(a) Unadjusted for HRA	2140	2497	2853	
	(b) Adjusted for HRA	1783	2081	2378	
	II Per Capita disposable Income				
	(a) Unadjusted for HRA	2156	2371	2874	
	(b) Adjusted for HRA*	1796	1976	2395	
	III Per Capita Income Ratio	---	---	---	2533
	IV Constant Relative Real Income Method	---	---	---	2248
2	<u>Consumption Standards Method</u>				
	(I) NSS (1992)	1642	1916	2190	
	(II) Poverty Line	1016	1185	1355	
	(III) Calory Intake Norm				
	(a) Based on II Pay Commission Norm*	1203	1403	1604	
	(b) Based on III Pay Commission Norm*	1330	1552	1773	

Sl. No	Criteria	Family Size Adult Consumption Units			Unspecified
		3	3.5	4	

3. Comparable Wages

(I) Agricultural Wages					
(23 Working days)	---	---	---	---	1001
(24 Working days)	---	---	---	---	1044
(26 Working days)	---	---	---	---	1131
(II) Minimum Wages Act, 1948	---	---	---	---	1240

*Excludes HRA calculated at 7.5 per cent of total consumption

Conclusions of NPC study 41.36 The NPC study concludes as follows :-

- (a) From the field survey it has been found that the average age of the lowest functionary at the time of joining service is around 25 in the Central Government as well as in the Private Sector. About 93% of the Central Government employees below 25 years are married. The average number of children per family is 1.5 at the time of joining service. Central Government employees in the pay scale of Rs.750-940 have a mean age of 36.41 years.
- (b) Based on the actual size of the family of 4.8 according to the NSS (48th Round) for 1992 and the findings of the field survey, the NPC study finds it necessary to treat the family size as 4. Taking the various approaches mentioned before into account and ignoring extreme values, the estimates for minimum salary vary between Rs.2190 and Rs.2395. Since the data available from NSS (48th Round) for 1992 is the most reliable indicator of the average level of consumption, the NPC study concludes that a minimum salary of Rs.2190 should be treated as sufficient to guarantee average consumption levels in urban areas of the country.

CRITERIA ACCEPTED BY THE FIFTH CENTRAL PAY COMMISSION

Our strategy 41.37 Taking into account the background of this important issue, we have evolved our strategy to fix the minimum salary in Government as under

Job evaluation (1) In our view, the most scientific criterion for fixation of salaries in

Government is job evaluation. Over the years the techniques of job evaluation have been considerably improved. We came across the detailed evaluation technique evolved by the Government of Canada in order to arrive at a point rating for each job in the Government. This, however, presupposes an elaborate exercise for which the Fifth CPC has neither the time nor the requisite wherewithal. We are separately suggesting the setting up of a Permanent Pay Body, which could be charged with the responsibility of evaluation of each job in the Government on a continuing basis. However, as such data on point ratings of individual jobs is not available to us we have to reluctantly discard the criterion of job evaluation at the present moment.

Fair comparison

- (ii) Fair comparison is another favourite formula that is often advocated with considerable emphasis, especially by the staff associations. While, on the face of it, this seems to be a fair and equitable method of arriving at a reasonable figure, it suffers from several infirmities.

Data about the private sector is not available. If available, it is not reliable. There is no transparency about the benefits received by an employee from his private employer. Very often, there are hidden or clandestine methods of compensation which do not bear scrutiny. On the negative side, the employee has no job security, no assured career progression and no post-retirement benefits.

The position of the public sector is also different. Employees in the public sector are engaged in commercial or production activities, with the primary purpose of earning a profit on the investment. Within the Government, profit-making often takes second place and primacy is accorded instead to the provision of a service to the people. The hours of work, the ambience of the work-place, the work-culture etc. are quite at variance. Wages in the public sector are settled through collective bargaining mechanisms, while the governmental salaries are decided through awards of Pay Commissions.

People who join the Government have a different cultural ethos. They value security more than opportunity, status more than money, service more than commerce and dignity more than a fast track. There are invisible perquisites and compensations in Government service which do not carry a price tag.

Even so, it is considered expedient to keep the salaries prevalent in the private and public sectors in view, while fixing the salaries of Government

employees. We would like to concede a relativity, but not a parity as between these sectors.

Model employer (iii)

The Government's role as a model or enlightened employer is self-evident and does not need to be proved. The fact that there has been a 53% increase in the real earning of a peon in the last 77 years with 1949 as base is a clear indication of Government policy. The reduction of the post-tax minimum-maximum ratio from the pre-1947 level of 1 : 41 to 1 : 6 in 1996 is positive proof of Government's intentions. The fact that the lowest emoluments in Government are noticeably higher than the poverty line, the minimum wage, the agricultural wage, the lowest salaries in the private sector, or the salaries based on consumption norms as worked out by the NPC is also a pointer in the same direction.

Multi-pronged strategy

(iv) We would like to approach the question of minimum salaries in Government by a multi-pronged strategy, as under.

we do not agree with the NPC finding that a norm of 4 consumption units should be adopted for the person joining Government service. The sample size taken by them is too small to yield reliable data for the entire population. Our general impression is that the average age at entry is around 22 years. With the break-up of the joint family system, increase in the age of marriage and practising of the small family norm, the average number of consumption units at age of entry cannot be taken as more than three.

- Taking 3 consumption units, we find that the figures worked out by the NPC on the basis of consumption standards range from Rs.1016 to Rs.1642. These are lower than the existing emoluments drawn by these categories.
- The Per Capita NNP and Per Capita Disposable Income Methods yield figures ranging between Rs.1783 and Rs.2156, while the constant Relative Income Criterion given an amount of Rs.2248.
- We would like to adopt a modified version of the Constant Relative Income Criterion as possibly the most equitable norm, both from the point of view of the employee as well as the Government. Taking Rs.750 as the basic pay fixed in 1986, and dearness allowance of Rs.1110 as on 1.1.96 we may adopt a compensation factor of 30.9% (See Annexure-41.5) as being the increase in the per capita net national product during the period 1986-1995. This comes to Rs.574.74. When it is added to the existing basic pay (Rs.750) and dearness allowance as on 1.1.96 (Rs.1110), the total works out as Rs.2434.75. This figure could be

rounded off to Rs.2440, which would also incidentally mean more than a threefold jump in the basic pay from Rs.750 to Rs 2440. The interim reliefs of Rs 200 paid so far to the lowest functionary would naturally be subsumed within the above mentioned figure

FINANCIAL IMPLICATIONS

41.38 It is estimated that the above proposal would mean an additional financial outgo to the tune of Rs. 294.1 crores (See Annex-41.6) every year, taking civilian and defence employees together.

CONCLUSION

41.39 Taking into account the expectations of the employees, the amount suggested by us may appear to be somewhat inadequate. However, we have to take the Government's capacity to pay into account while making our recommendations. Group D employees constitute 41% of the total work force in the Central Government. It is well known that any increase in the basic pay of the lowest functionaries has a ripple effect on the entire salary structure. A rough estimate shows that an increase of Rs 100 in the minimum basic pay involves a massive overall financial implication of around Rs.1000 crores. It would, therefore, be correct to say that even if the employees had a good case for a further increase in their emoluments, the government could ill afford the same. Association leaders should also weigh and consider the complete package of benefits that have been recommended by this Commission. Consideration of just the minimum salary out of context would not be a fair approach to the problem.



Annexe 41.1

Minimum Wage for Lowest Unskilled Worker at Recruitment
Level in Different Public Sector Undertakings as on
1.1.1995 *

Name of the Company	Total Wage (Pay+DA) (Rs.)
1.	2.
1. Air India Ltd.	2,646
2. Andaman & Nicobar Islands Forests & Plantations Corporation Ltd.	2,580
3. Bharat Electronics Ltd.	2,592
4. Bharat Aluminium	2,714
5. Bharat Heavy Electricals Ltd.	2,749
6. Bharat Yantra Nigam Ltd.	2,743
7. Bongaigaon Refinery and Petro Chemicals Ltd.	2,702
8. Cement Corporation of India Ltd.	2,581
9. Cochin Shipyard Ltd.	2,735
10. Dredging Corporation of India Ltd.	2,694
11. Delhi Transport Corporation Ltd.	1,744
12. Engineers India Ltd.	2,810
13. Fertiliser Corporation of India Ltd.	2,729
14. Ferro Scrap Nigam Ltd.	2,764
15. Food Corporation of India Ltd.	2,714
16. Garden Reach Ship Builders & Engineers Ltd.	2,640
17. Hindustan Aeronautics Ltd.	2,460
18. Hindustan Fertilisers Corporation Ltd.	2,729
19. Hindustan Shipyard Ltd.	2,823
20. Indian Telephone Industries	2,902
21. Life Insurance Corporation of India	1,907
22. Manganese Ore (India) Ltd.	2,370
23. Mica Trading Corporation of India Ltd.	2,761
24. Mineral Exploration Corporation Ltd.	2,761
25. National Industrial Development Corporation	2,509
26. National Seeds Corporation Ltd.	2,581
27. Projects & Equipment Corporation of India Ltd.	2,511
28. Average	2,609
29. Central Government (as on 1.1.1995)	1,688
30. Difference	921

* Based on data collected by the Pay Commission.

**Pay Scales of lowest Functionaries and Salary at the Minimum
of the Scale for selected Public Sector Undertakings**

(Rupees)		
Name of the Company	Pay Scale	Salary at the minimum of the Scale as on 1.1.95
1.	2.	3.
Ferro Scarp Nigam Ltd.	1350-1680	2,763.50
Garden Reach Ship Builders & Engineers Ltd.	1100-1490	2,639.70
Dredging Corporation of India Ltd.	1320-1750	2,649.00
Engineers India Ltd.	2100-3020	2,810.00
Manganese Ore India Ltd.	1060-1507	2,400.00
Bharat Aluminium Co. Ltd.	1350-1650	2,714.00
India Addities Ltd.	1075-1305	2,468.70
Bharat Heavy Electricals Ltd.	1096-1487	2,758.60
Indian Railway Construction Corpn. Ltd.	650- 905	2,093.70
Mica Trading Corporation of India Ltd.	1350-1615	2,761.00
Life Insurance Corporation of India Ltd.	815-1520	1,907.00
Bongaigaon Refinery and Petrochemicals Ltd.	1040-1665	2,702.50
National Seeds Corporation Ltd.	1035-1345	2,580.30
Project & Equipment Corporation Ltd.	1100-1170	2,511.30
National Textiles Corporation Ltd.		1,605.00
Bharat Yantra Nigam Ltd.	1112-1412	2,743.00
Cement Corporation of India Ltd.	1035-1345	2,580.00
Hindustan Aeronautics Ltd.	1880	2,540.00
Hindustan Salt Ltd.	750- 950	1,888.00
Hindustan Shipyard Ltd.	1400-1760	2,822.70
Food Corporation of India Ltd.	800- 1150	1,800.00
Instrumentation Ltd.	1107-1507	2,833.10
Hindustan Fertilizer Corporation Ltd.	1100-1400	2,729.30
Indian Telephone Industries Ltd.	2100	2,902.00
Bharat Electronics Ltd.	1880	2,592.00
National Industrial Development Corporation	1065-1415	2,509.00
Andaman & Nicobar Islands Forests & Plantation Corporation Ltd.	1035-1345	2,580.30
Average		2,514.00
Central Government (as on 1.1.1995)		1,688.00
Difference		826.00

Source: Based on Data collected by the NPC.

Note: Salary includes Pay, Average Fixed DA and Variable DA

Minimum Wages for lowest unskilled worker at
Recruitment Level in Public Sector Undertakings
and Central Government Establishments

All India Consumer Price Index 1240 (Base 1960=100)		
Sl. No.	Name of the Company	Total Wages (Pay & DA) (Rs)
1.	2.	3.
1.	Damodar Valley Corporation	2,977
2.	Air India	2,449
3.	Indian Airlines	2,429
4.	Goa Shipyard Ltd.	2,334
5.	Electronic Corpn. of India Ltd.	2,398
6.	Hindustan Aeronautics Ltd.	2,398
7.	Bharat Electronics Ltd.	2,398
8.	Hindustan Machine Tools	2,398
9.	Hindustan Copper Ltd.	2,391
10.	National Thermal Power Corpn.	2,399
11.	Central Electronics Ltd.	2,398
12.	Neyveli Lignite Corporation	2,399
13.	Sharat Heavy Electricals Ltd.	2,399
14.	Hindustan Cables Ltd.	2,391
15.	Port and Docks	2,378
16.	Fertilisers and Chemicals	2,354
17.	Fertiliser Industry	2,311
18.	Coal Industry	2,277
19.	Oil & Natural Gas Commission	2,254
20.	Indian Oil Corporation	2,278
21.	Steel Industry	2,410
22.	Average	2,400
23.	Central Government	1,530
24.	Difference	870

Note: Interim Relief of Rs.100/- has not been included in the above figures for Central Govt. Employees as the same is also not included in the Public Sector. The Interim Relief in Public Sector has been granted in many cases and in some of the cases same is under discussion. In any case the amount there in is also Rs.100/- and above.

Source: Memorandum of the J.C.M.

Annexe 41.4

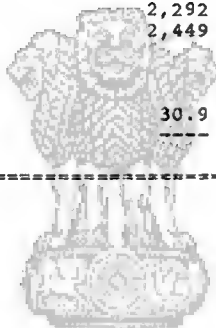
Statewise payscales of the lowest category (Peon)

States	Peon (Rs.)
1.	2.
1. Andhra Pradesh	1375-2375
2. Arunachal Pradesh	750 - 950
3. Assam	900 -1435
4. Goa	775 -1025
5. Gujarat	750-940
6. Haryana	750 - 940 +Rs. 30 spl. pay
7. Himachal Pradesh	750 -1350 start at 770
8. Jammu & kashmir	750 -940
9. Karnataka	840 -1340
10. Madhya Pradesh	750 -945
11. Maharashtra	750 -940
12. Manipur	750 -940
13. Meghalaya	820 -1175
14. Mizoram	800 -1150
15. Orissa	750 -940
16. Rajasthan	750 -940
17. Sikkim	800 -1060
18. Tamilnadu	750 -945
19. Tripura	775-1130
20. Uttar Pradesh	750 -940
21. West Bengal	800 -1265

Аппенде 41.5

Percentage increase in Per Capita
Net National Product at factor cost

Year	Per Capita Net National Product (at factor cost) at constant prices
1.	2.
1 1986-87	1,871
2 1987-88	1,901
3 1988-89	2,059
4 1989-90	2,157
5 1990-91	2,222
6 1991-92	2,175
7 1992-93	2,239
8 1993-94	2,292
9 1994-95	2,449
Percent increase in 1994-95 over 1986-87	30.9



सन्तानं जयन्त

Annexe 41.6

Additional Financial Implication

1. Total Employees (Lakhs) in the Scale of Rs. 750-940	
(i) Civil	5.66
(ii) Defence Forces	0.79
(iii) Total	6.45
-----	-----
2. Emoluments (Rs./Month)	
A. Present	
-----	-----
(i) Basic (Minimum)	750
(ii) Dearness Allowance as on 1.1.96 @ 148%	1110
(iii) Interim Relief two instalments @ Rs 100/- each	200
A. Total	2060
-----	-----
B. Proposed	2440
-----	-----
C. Additional (B-A)	380
-----	-----
3. Total Additional Financial Implication Rs crores/Year	294.1

सत्यमेव जयते

Determination of the Maximum Salary

BACKGROUND

*Significance of
Maximum Salary*

42.1 Having fixed the minimum salary in Government, we move to the other end of the spectrum. By the term "maximum salary", we imply the salary of the senior most civil servants. The pay and allowances of these top functionaries constitutes a tiny, almost invisible, fraction of the total expenditure on government salaries. Yet, in spite of its budgetary insignificance, the way the officials at the summit of Government are rewarded is of critical importance as it determines the kind of people who join Government, the way they perform their task and the efficiency with which public administration is run.

*The potential
conflicts in fixing
the maximum
salary*

42.2 The process of arriving at maximum salary is attended by a host of special difficulties. There is the potential conflict arising out of the top bureaucrat's simultaneous role as that of an employer, where he is aiming at minimizing salary costs and his role as an employee where his natural inclination would be for a hike in salaries. There is the short term concern with cutting costs and showing exemplary restraint and the long-term concern for avoiding the tendency towards questionable methods of income supplementation. There is the larger issue of whether the pay structure at the top should be performance-related as dictated by the "principal agent" model of public service management. There are also relativities to be maintained with respect to the salaries of elected politicians, constitutional authorities and the like.

Other issues

42.3 Within the institutional constraints mentioned above there are some other questions which need to be resolved. These are the issues of erosion of real income at the highest level, pre tax and post-tax disparity ratios, comparisons with the private and public sectors, quality of recruits, proliferation of number of posts etc. These questions have been dealt with at great length by the

previous Pay Commissions and pay fixation at the highest levels has been based on one or all of these considerations.

RECOMMENDATIONS OF THE PREVIOUS PAY COMMISSIONS

*Views of the
previous
Commissions*

42.4 The predominant issues confronting the first three Pay Commissions on the subject of maximum salary were entirely different from those before the fourth. While the overriding concern of the former was whether the maximum salary in Government should be reduced in view of the inordinately high disparity ratio, the Fourth CPC had to address itself to the widening gap between the salaries of top executives in the private and Government sectors.

*Views of the First
CPC*

42.5 The prevailing public opinion at the time the First CPC was set up was that salaries of senior functionaries in Government were too high and needed to be cut down drastically. It was believed that high scales of pay in Indian public service had been responsible for diverting the attention of brilliant young men from other fields and concentrating it on Government service. The First CPC therefore felt that Rs.2000 per month should be the maximum salary for public servants, but for the highest posts such as Secretaries to Government of India, Members of Railway Board, Members of the Union Public Service Commission, General Managers of Railways and Ambassadors, salaries of Rs.2250, Rs.2500, Rs.2750 and Rs.3000 would be suitable. No dearness allowance was admissible to this category of employees. While the ICS and pre-1931 officers were entitled to Rs.4000 when appointed to posts of Secretary and Rs.3500 when appointed to posts of Additional Secretary, with the implementation of the First CPC's report, a ceiling of Rs.3000 per month was made applicable to the highest appointments of Cabinet Secretary, Secretaries to the Government of India and the Chiefs of Staff. But this reduction in the highest salary did not have any visible impact as most top posts were at that time held by officers of the Indian Civil Service or pre-1931 entrants to superior services. In the Army, the reductions did not affect the King's Commissioned Officers who were holding most of the higher ranks at that time.

*Views of the
Second CPC*

42.6 The Second CPC examined the subject of highest salary in considerable detail and after going into issues pertaining to erosion of real incomes at the highest level, disparity ratio, quality of recruits and comparable salaries in the private sector recommended no changes. Thus a non-ICS Secretary came to draw a salary of Rs.3000 per mensem.

42.7 The highest salary remained unchanged till the year 1965 when the salary of a Secretary was raised from Rs.3000 to Rs.3500 even before the setting up of the Third CPC. The salaries of the Additional Secretary and Joint Secretary were raised from Rs.2750 and Rs.2250 to Rs.3000 and Rs.2500-125-2750 respectively. These sudden increases in salaries at the highest levels were necessitated by the steady fall in the number of candidates appearing before the UPSC, rising consumer price indices and salaries in the private sector and a disparity ratio of 19.2 in 1965 which had come down from the level of 257 in 1939-40.

Views of the
Third CPC

42.8 The Third CPC keeping in view the social desirability of reducing disparities in the levels of income and that this reduction had to be brought about consistently with due requirements of efficiency in public service, recommended that no change be made in the maximum salary of Rs.3500.

Views of the
Fourth CPC

42.9 The Fourth CPC did not examine the issue of maximum salary as such. It however, recommended a replacement scale of Rs.8000 for Secretaries to the Government of India. The Cabinet Secretary who was earlier in the scale of Rs.3500 was upgraded and given a replacement scale of Rs.9000, in view of his very important role of coordinator at the inter-ministerial level.

REAL INCOME AT SENIOR LEVELS: THE TREND

The erosion in the
real income of
Secretaries since
1949

42.10 We now briefly touch upon the trends in the levels of pre-tax emoluments, post-tax emoluments, All India Consumer Price Index and Real Earnings of Secretaries for the period 1949 to 1996. These are summarized in the table given below:

Trends in the Emoluments of Secretaries to Government of India, 1949-1996.

	(Emoluments in Rs.)						
	1949	1959	1.9.65	1.1.70	1.1.73	1.1.86	1.1.96
	-60						
Emol- uments* (Pre-tax)	3000	3000	3500	3500	3500	8000	16580
--do-- (Post tax)	2263	2281	2422	2399	2331	5896	12,615
Index of Emoluments (pre-tax)	100	100	117	117	117	267	553
--do-- (Post tax)	100	101	107	106	103	261	557
AICPI**	100	124	163	211	252	754	1874
Real earnings Index (pre-tax)	100	81	72	55	46	35	29

	(Emoluments in Rs.)						
	1949	1959	1.9.65	1.1.70	1.1.73	1.1.86	1.1.96
	-60						
-do- (Post tax)	100	81	66	50	41	35	30

* Includes Dearness Allowance, Dearness Pay and Interim Relief.

** Base 1949 = 100

42.11 The above table reveals the following:-

- During the period 1949-1996, the pre-tax emoluments of a Secretary to the Government of India increased 5.53 times from Rs.3,000 to Rs.16,580.
- During the same period, the AICPI increased by as much as 18.74.
- Thus there was an erosion of 71% in the real earnings of Secretaries. This may be compared to the increase of 53% in the real income of a peon over the same period (See paras 41.17 and 41.18).

DISPARITY RATIO: THE TREND

*Declining
Maximum
Minimum
Disparity Ratio*

42.12 We turn next to the behaviour of the maximum-minimum disparity ratios. The trend of pre-tax and post-tax disparity ratios over the years has been summarized in the table given below:-

Trend of Disparity ratios, 1948-1996				(Emoluments in Rs.)				
	1948	1949	1959-1960	1/9/65	1/1/70	1/1/73	1/1/86	1/1/96
Maximum Salary (Rs.)* (Pre-Tax)	3000	3000	3000	3500	3500	3500	8000	16580
Maximum Salary (Rs.) (post-tax)	2263	2263	2281	2422	2399	2331	5896	12615
Minimum Salary* (Rs.)	55	65	80	103	141	196	750	2060

	Trend of Disparity ratios, 1948-1996					(Emoluments in `Rs.)		
	1948	1949	1959-1960	1/9/65	1/1/70	1/1/73	1/1/86	1/1/96
Pre-tax Disparity Ratios	54.5	46.2	37.5	34.0	24.8	17.9	10.7	8.0
Post-tax Disparity Ratios	41.0	34.8	28.5	23.5	17.0	11.9	7.9	6.1

* Includes Dearness Allowance, Dearness Pay and Interim Relief

42.13 The above table reveals the following -

- i) During the period 1948-1996, the minimum salary of the lowest Government employee rose from Rs.55 to Rs.2,060
- ii) During the same period, the pre-tax maximum salary rose from Rs.3,000 to Rs.16,580, while the post-tax salary rose from Rs.2,263 to Rs.12,615.
- iii) The disparity ratio between the maximum pre-tax remuneration and the minimum went down progressively from 54.5 (1948) to 46.2 (1949), 37.5 (1959), 34.0 (1965), 24.8 (1970), 10.7 (1986) and 8.0 (1996).
- iv) The post-tax disparity ratio came down even more drastically from 41.0 (1948) to 6.1 (1996). The post-tax ratios were naturally lower than the pre-tax over because of progressive rates of taxation.

42.14 The falling disparity ratio was the result of a deliberate policy followed by successive Commissions. This was probably in tune with the general upsurge of socialist ideas in the economic field. The ratios did not remain constant even in the intervening period between two consecutive Pay Commissions. Thus the pre-tax ratio slipped from 10.7 (1986) to 8.0 (1996). This phenomenon is explained by the prevailing practice of offering only partial neutralization for increased cost of living at the higher levels, while there is complete neutralization at the lower levels.

PRESENT SITUATION

The total emoluments of Secretary and Cabinet Secretary

42.15 At present, a Secretary level officer draws total emoluments of Rs.16,580 consisting of a fixed basic pay of Rs.8000, a Dearness Allowance of Rs.7,680 (i.e. 96% of basic pay) and two interim reliefs of Rs.100 and Rs.800. The Cabinet Secretary, draws total emoluments of Rs.18,640 consisting of a fixed basic

pay of Rs.9000, a Dearness Allowance of Rs.8,640 and two interim reliefs of Rs.100 and Rs.900 respectively.

42.16 As per the information collected by the Commission, there were on 1.1.95, 11 filled civilian posts in the scale of Rs.9000 fixed, 170 posts in the scale of Rs.8000 fixed, 7 posts in the scale of Rs.7600-8000, 21 posts in the scale of Rs.7600 fixed, 51 posts in the scale of Rs.7300-8000 and 466 posts in the scale of 7300-7600

EXPECTATIONS OF THE CENTRAL GOVERNMENT EMPLOYEES

The demands made by memorandists

42.17 The demands for maximum salary as voiced by the various Associations range between Rs.37,000 and Rs.1,00,000. The IAS Association has requested for a replacement scale of Rs.37,000-39,000 for the Secretary, the Indian Foreign Service has suggested Rs.60,000 for the Foreign Secretary and the Indian Revenue Service has demanded Rs.40,000 for the Chairman CBDT. The CPWD engineers have asked for a maximum salary of Rs.65,000 and NIC employees Rs.1,00,000 for their Director General.

42.18 These demand for increased salaries have been made in the context of the removal of ceilings on the salaries in the private sector and the consequent sky rocketing of salaries in all the segments of the economy. The clamour for external comparisons prompted us to commission a study for comparing salaries in the Government with those in the private and public sectors, and accordingly a study was awarded to MDI

COMPARISON WITH THE PRIVATE SECTOR

Higher emoluments and perks in the private sector at the senior most levels compared to the Govt.

2.19 The study carried out by MDI on comparisons with the Private Sector makes the following observations:

- i) The average pay, including DA & CCA, of a Chief Executive in a private sector organisation is Rs.23,303 in comparison to Rs.16,580 paid to a Secretary in the Government of India. Thus a CEO in the private sector gets a pay packet which is nearly 50% higher than his counterparts in PSUs and Government. When compared with large private sector enterprises this difference is as high as 80 percent.
- ii) In addition to the salary, a CEO in a private sector enterprise draws an average performance-related incentive pay of Rs.14,752 which works out to 65% of the basic salary. His counterparts in Government do not get anything on this account. While a CEO in the private sector enjoys a little more than his salary in the form of housing and car benefits, his

counterparts in Government and PSUs also enjoy housing and car benefits but not of commensurate value.

- iii) In addition, a CEO in the private sector draws sundry allowances for club memberships, credit cards, services and amenities, domestic servants, etc., which are not available in Government. In private sector, CEOs are increasingly being given superannuation benefits which are significantly better than pension entitlements available to Secretaries in the Government of India. As a result of the above, while the average cost of a CEO to a Private Sector Company works out to Rs.1,02,255 per month, the average cost of a Secretary to the Government of India works out to only Rs.44,817.
- iv) While the annual increase in compensation in the case of a Secretary to the Government of India is in the range of 8-9%, the annual increase in compensation of a CEO in a private sector enterprise is 30 to 35%. It can reasonably be concluded that if this trend continues, the gap between the compensation paid to private sector CEOs and Secretaries to the Government of India is likely to increase dramatically.

42.20 While a differential between the private and public sectors always did exist, the magnitude of the variation now observed is largely attributable to the removal of the ceilings on private sector salaries. The ceiling on the remuneration of managerial personnel in the private sector was raised substantially on 14th July, 1993 and relaxed completely for profit-making companies on 1st February 1994. This was done in the context of the philosophy of liberalisation and globalisation.

42.21 All restrictions on the nature and quantum of remuneration payable by a profitable company were withdrawn from 1.2.94, as long as remuneration paid to the managerial personnel during any financial year did not exceed 5% or 10% of its profits. Companies without any net profits or with inadequate profits were allowed to pay remuneration ranging from Rs.40,000 to Rs.87,500 p.m., depending on the effective capital of the Company. In the case of loss-making companies also, the above limits were treated as the minimum remuneration payable to individual managerial persons without Central Government approval. These limits can be waived in certain cases with Central Government approval.

COMPARISONS WITH PUBLIC SECTOR

Higher emoluments and perks in the public sector compared to the Govt.

42.22 As per the MDI study, a CEO in a Schedule A Public Sector organisation on an average draws about Rs.16,200 (including Basic + DA + CCA) in comparison to the Rs.16,580 drawn by a Secretary to Government of India. The CEOs in PSUs like the Secretary to the Government of India do not get any incentive pay. They, however, draw sundry allowances for club membership, credit cards, guest entertainment, etc., which are not available to a Secretary to Government of India. It has been reported that at the senior management levels in PSUs, several facilities are provided which may be treated as perquisites. For example, a sentry is provided at the residence of a Senior

Executive for 24 hours and he performs tasks other than merely guarding a house. In PSUs this does not constitute a part of the compensation package but gets accounted as organizational expenditure. The entertainment budget in PSUs is rather liberal and it is sufficient for the Chief Executive to certify that these were business development expenses in order to claim reimbursement. If all such factors are taken into account the disparities between the compensation packages of executives in Public Sector Undertakings and Secretaries to Government of India turn out to be wide. The study reports that while the cost to company of a CEO in a Public Sector Schedule of Company may be as high as Rs.57,262 per month, a Secretary to Government of India costs Rs.44,817 per month.

INTERNATIONAL COMPARISONS OF MAXIMUM SALARY

42.23 In order to take into account the experience of other countries in respect of fixation of maximum salary, the Commission sent out questionnaires to 27 countries. Information was elicited on questions such as maximum salary, maximum minimum ratios, number of pay scales, size of bureaucracy, etc. The information received on maximum-minimum ratio is listed below:-

International Disparity ratios, 1995

Country	Ratio
Malaysia	3.0
Sweden	4.0
France	6.6
Indonesia	6.9
Australia	7.7
China	8.0
Thailand	9.0
Hongkong	40.0

It is observed that the disparity ratio ranges between 3 in Malaysia and 40 in Hongkong.

42.24 An OECD study on the salaries of senior functionaries has reported that Japan, UK and Canada reward their senior civil servants better than Germany, USA, the Netherlands, Ireland, Australia, France, Finland and Sweden. While the real incomes of senior civil servants rose in the range of 20 to 40% between 1980 and 1990 in the case of Japan, UK, Canada, Ireland, Finland, Sweden and US it fell in the case of Germany, the Netherlands, Australia and France. Differentials between the senior and lower grades are clearly compressed in the case of Canada, Australia, France, Germany, the Netherlands, UK and US. Also substantial remuneration discounts for public service vis a vis private service exist in countries like France, Germany and the United Kingdom.

42.25 A word of caution may be added here, however. In practice it is difficult to present cross-national comparisons reliably, because of the problems of matching grades and levels across countries and differing pay definitions. Further, cross-national comparisons need to be interpreted with care as they could reflect a range of factors such as the size of the civil service, the extent to which

senior civil servants are able to take up well-paid positions in the private sector whether they work in capital cities etc.

COMPARISONS WITHIN GOVERNMENT

*Salaries and
perks drawn by
the elected and
non-elected
Constitutional
Functionaries*

42.26 We also decided to examine the compensation structure of other senior functionaries in Government such as the President, Prime Minister, Ministers, Chairman Rajya Sabha, Speaker Lok Sabha, Leader of Opposition, Members of Parliament, Chief Justice and Judges of the Supreme Court of India and the High Courts, the Comptroller and Auditor General, the Chief Election Commissioner etc.

42.27 The details of salary, allowances, pension and facilities admissible to the above dignitaries are given in Annexure 42.1 and 42.2.

We observe the following:-

- i) Amongst the constitutional functionaries the President draws the highest salary of Rs.20,000 per month. He is followed by the Chief Justice of the Supreme Court of India, who draws a salary of Rs.10,000 per month. The CEC, CAG, the Chief Justices of High Court and the Judges of the Supreme Court of India draw a salary of Rs.9000 fixed. The revision of pay for the Secretary to Government of India will call for necessary adjustments in the scales of these functionaries.
- ii) The salaries of the elected constitutional functionaries are found to be more modest than those of the non-elected constitutional functionaries.
- iii) These functionaries are entitled to several allowances such as daily allowance, sumptuary allowance, constituency allowance. The highest rates of daily allowance vary from Rs.400 per day in expensive cities to Rs.250 per day in ordinary cities and is payable to the Chief Justice and Judges Supreme Court and High Courts. The elected representatives get a more modest daily allowance of Rs.200 per day. The sumptuary allowance ranges from Rs.4000 for the Chief Justice of the Supreme Court to Rs.2000 per month for the Judge of a High Court. Sumptuary allowance available to elected representatives ranges from Rs.1500 per month for the Prime Minister to Rs.300 for a Deputy Minister. A constituency allowance of Rs.3000 per month is payable to the elected representatives.
- iv) The senior most appointments in the Judiciary are entitled to rent free accommodation or HRA @ Rs.3000 per month. Furnishing limits range from Rs.2,50,000 for the Chief Justice of Supreme Court to Rs.1,50,000 for the Judge of a High Court. Water and electricity is free for the Chief Justice and Judges of Supreme

Court while some limits have been imposed for the High Court Judges. MPs have a liberal dispensation in respect of water and electricity charges, free telephone calls and travel.

42.28 In our country the salaries of elected representatives and constitutional authorities are not formally linked to senior civil service grades, as is the case in Singapore or as was the case in United States traditionally. Where the elected representatives' salaries are linked to senior civil service, the pay fixation exercise for civil servants inevitably becomes a part of the debate about elected representatives' own salaries.

RATIONAL CRITERIA FOR FIXATION OF MAXIMUM SALARIES

42.29 The approach of fixing maximum salaries on the basis of a pre-determined minimum-maximum disparity ratio has been widely criticized as being at best ad hoc and arbitrary. Neither does such an approach reflect the true requirements and expectations of the senior functionaries nor does it bear any relation to their functional responsibilities. While a need-based norm exists for bench-marking the minimum salary no comparable norms appear to have been evolved for bench-marking the salaries of senior functionaries in Government. In view of the diversity of opinions and expectations on the subject of maximum salary, the range of differentials and the institutional constraints involved, the Commission decided to engage an independent professional body viz. the Indian Institute of Public Administration to suggest a scientific and rational formula for pay fixation for senior functionaries in Government.

The findings of the study conducted by IIPA

42.30 The study conducted by IIPA, which is based on an opinion survey, seeks to quantify the "reasonable requirements and the realistic expectations" of the senior most functionaries in Government and thereby offers a bench-mark for fixing their salaries. The study concludes as follows. -

- i) A rational salary structure for senior functionaries should allow a salary level which is adequate to meet the current levels of consumption and reasonable additional requirements.
- ii) While the average current expenditure has been quantified as Rs.6,490, the reasonable additional requirements have been quantified as Rs.8,349 thereby suggesting an average consumption level of Rs.14,839
- iii) Based on an average propensity to consume of 49%, the average income required to support the above level of consumption has been worked out as a pre-tax salary of Rs.40,000 for the Cabinet Secretary, Rs. 36,000 for Secretaries, Rs.33,500 for Additional Secretaries and Rs.29,500 for Joint Secretaries to the Government of India and officers equivalent in rank to them.

- iv) The post-tax salaries have been suggested as Rs.27,667 for the Cabinet Secretary, Rs.25,267 for Secretaries, Rs.23,767 for Additional Secretaries and Rs.21,367 for Joint Secretaries.

OUR APPROACH TO MAXIMUM SALARY

Erosion in salaries at the highest level and widening differentials between the Govt. the private and public sector

42.31 From the foregoing discussion it is abundantly clear that consequent to the removal of ceilings in the private sector, wide differentials have crept in between the salaries of senior functionaries in Government and their counterparts in the private and public sectors. A substantial erosion in the real income at the senior levels has also been observed, and this seems to have assumed disturbing proportions.

The need for a competent bureaucracy

42.32 We are of the view that inadequate salaries in the public service are an expense and not an economy. Although it can be argued that corruption is a state of mind, it cannot be denied that beyond a certain point the penury of a powerful civil servant can have disastrous consequences for his integrity. A bureaucracy that is under-paid is almost invariably unproductive and overstaffed. The World Bank in its policy paper titled "The East Asian Miracle: Economic Growth and Public Policy", has singled out "competent bureaucracy" as one of the most important factors for the sustainability of reforms in the high-performing Asian economies like Hongkong, Japan, Korea, Singapore, Taiwan and China. To sustain growth, insulation of technocracy is necessary. What is more necessary, however, is that the bureaucracy must have the competence to formulate effective policies and the integrity to implement them fairly. Various ways have been employed by these high performing economies to achieve a competent bureaucracy. The basic principles followed make recruitment and promotion merit-based and highly competitive. Simultaneously, total compensations have been made comparable with the private sector and those making it to the top are amply rewarded.

The Cabinet Secretary and Secretary to the Govt. of India

42.33 While the study carried out by IIPA has recommended a pre-tax salary of Rs.40,000 for the Cabinet Secretary and Rs.36,000 for Secretaries we are inclined to be more modest and recommend a pre-tax salary of Rs.30,000 for Cabinet Secretary and Rs.26,000 for Secretaries. In suggesting these salaries we have tried to bridge somewhat the gap existing between the salaries of the private, public and the Government sector. We have also tried to retain the pre-tax disparity ratio between the minimum and maximum salary at the Fourth CPC level of 10.7. Such an increase at the highest level was more than warranted on account of the serious and continuous erosion in the real income of senior functionaries since 1949 and the pressing need for a competent bureaucracy in this hour of economic reform and liberalisation.

Ceiling on private sector salaries

42.34 We have also received some suggestions regarding the reimposition of ceilings on salaries in the private and public sectors. The abolition of ceilings, it has been stated, would lead to the creation of high-wage islands, flight of talent, consumerism and heart-burning as Government may not be in a position to pay comparable salaries to its employees. Some others argue that the recent spurt in the compensation structure of the private sector is a temporary phenomenon and a state of equilibrium is likely to be restored once the economy

integrates itself with the global market. We however feel that there is an urgent need for a National Wage Policy in the interim period to ensure that there is no competitive jacking up of salary levels to disproportionate heights.



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SALARY, ALLOWANCES AND PENSION ADMISSIBLE TO SENIOR MOST FUNCTIONARIES IN GOVERNMENT

Category	Salary	Deputy Allowance	Constitutional Security Allowance	Summative Allowance	Pension	Pemary's
0.	1.	2.	3.	4.	5.	6.
President	20,000	Nil	Nil	Nil	Rs. 10,000/month or Rs. 1,20,000/year	

2. Prime Minister

1,500

200/day

3,600/month

1,500/month

Nil

Nil

Nil

of member Rs. 1,400 per month for minimum period of membership of 4 yrs or 3rd term of Lok Sabha + Rs. 250 for every additional year of membership without any cap on ceiling. The ex-HP pension is allowed irrespective of any other pension without any upper limit on the aggregate.

Family Pension - for 5 years @ Rs. 500 per month if the member dies in harness.

3. Cabinet Minister

1,200

200/day

3,600/month

1,000/month

Nil

Nil

Nil

4. Minister of State

1,000

200/day

3,000/month

500/month

Nil

Nil

Nil

5. Deputy Minister

1,500

200/day

3,000/month

300/month

Nil

Nil

Nil

6. Chairman Janya Sabha

1,500

200/day

1,000/month

Nil

Nil

Nil

: 447 :

Salaries, Allowances and Pension admissible to senior most functionaries in Government

Annexa 42.1

Category	Salary	Daily Allowance	Consti- tency Allowance	Senatorial Allowance	Pension	Remarks
Rs.-----)						
0.	1.	2.	3.	4.	5.	6.

7. Speaker Lok Sabha 1,500 200/day 3,000/month 1,000/month ... same as Cabinet Minister

8. Ex. Speaker Lok Sabha 1,500 200/day 3,000/month 500/month - do -

9. Ex. Chairman Rajya Sabha 1,500 200/day 3,000/month 500/month - do -

10. Leader of Opposition 1,500 200/day 3,000/month 1,000/month - do -

11. Members of Parliament 1,500 200/day 3,000/month 1,000/month

● Relates to Official Expense Allowance.
§ During any period of residence on duty subject to the condition that the Member signs the register on all the days (except intervening holidays for which no such signing is required) of the session for which the allowance

(1) Minimum Pension of Rs 1,400 p.m. for membership of 4 years or 2 terms of Lok Sabha and Rs. 250/- per month for every year in excess of five without any maximum ceiling.

(2) In cases where the Elections are not held due to unforeseen circumstances like weather conditions etc., such as in Jammu & Kashmir and Himachal Pradesh, such period should be counted towards their eligibility period for grant of pension.

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सत्यमेव जयते

Pension to the spouse/dependent of an MP dying in harness- Rs. 500/- p.m. for a period of five years from the date of death of MP.

Pension to the spouse/dependent of an MP dying in harness- Rs. 500/- p.m. for a period of five years from the date of death of MP.

	500/month	1,000/- per month as office allow- ance except during the period of leave
12. Attorney General of India (Retainer Fee)	5,000	-
13. Solicitor General (Retainer Fee)	4,000	-
14. Addl. Solicitor General (Retainer Fee)	3,500	-

1. Officer General?	4,000	-	Office absent since except during the period of leave
	(Retainer Fee)		

4. Addl. Solicitor General	3,500.	-	-
	(Retainer Fee)		

Salary, Allowances and Pension admissible to senior most functionaries in Government

Annex 42.1

Category	Salary	Daily Allowance	Constituency Allowance	Subsidiary Allowance	Pension	Remarks
0.	1.	2.	3.	4.	5.	6.
15. Chief Election Commissioner	9,000/-	1250/- day for all types of locality Rs. 400/- day and transport charges not exceeding Rs. 20/-	-	-	5,000/- (commuted)	
16. Election Commissioner	9,000/-	1000/- per day in speciality extensive locality	-	-	2,667/- (commuted) 4,000/- (provisional)	
17. Chief Justice Supreme Court	10,000/-	1250/- for ordinary cities	-	4,000/- month	5,000/- per month	
18. Justice Supreme Court	9,000/-	1400/- for extensive cities	-	3,000/- month	4,500/- per month	
19. Chief Justice High Court	9,000/-	1250/- for ordinary cities	-	3,000/- month	4,500/- per month	
20. Justice High Court	8,000/-	1400/- for extensive cities	-	2,000/- month	4,000/- per month	

Category	Telephone facility	House facility	Water and Electricity facility	Medical facility	Conveyance Advance
6.	1.	2.	3.	4.	5.

1. President

2. Prime Minister

3. Cabinet Minister

4. Minister of State

5. Deputy Minister

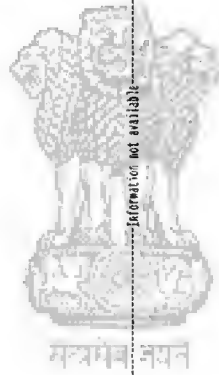
6. Chairman Rajya Sabha

7. Speaker Lok Sabha

8. Dy. Speaker Lok Sabha

9. Dy. Chairman Rajya Sabha

10. Leader of Opposition



Information not available

OTHER benefits available to senior most functionaries in Government

Annex 42, 2

category	Telephone facility	House facility	Water and Electricity facility	Medical facility	Conveyance facility
0.	1.	2.	3.	4.	5.
11. Members of Parliament	50,000 free local calls per year on both Delhi & Constituency residence telephones combined together. The trunk call bills will be adjusted within the monetary equivalent of the ceiling of 50,000 local calls per annum. Excess calls made over and above the existing quota of 50,000 free local calls is allowed to be adjusted in the next year's quota.	<p>Flat free flats only (including hostel accommodation). If a Member is allotted below at his request, he shall pay:-</p> <p>(a) Full normal rent if he is entitled to such accommodation; and</p> <p>(b) Full normal rent and a non-refundable charge of rupees five hundred per annum, if he is not so entitled.</p> <p>Members who have no over meters installed at their residence are allowed upto a maximum of 1,200 units of electricity per annum measured on light meter free of charge).</p>	Free water and electricity up to a maximum of 1,200 units of electricity (2,600 unit measured on light meters and 1,600 units on power meters) and 1,000 T.L. of water per annum beginning first January of every year.	As available to Grade-I Officers of the Central Govt. under the C.G.H.B.	Conveyance advance of Rs. 52,000/- on the rate of interest as applicable to the Central Govt. Employees but recoverable within a maximum period of 5 years not extending beyond the tenure of the M.P.
12. Attorney General of India	At office and residence provided by the Government of India free of cost	Settable residential accommodation not to be provided by the Government of India on payment of usual rent fixed by the Government of India	Nil	Nil	Nil
13. Solicitor General	At office and residence provided by the Government of India free of cost	Government of India	Nil	Nil	Nil
14. Addl. Solicitor General			Nil	Nil	Nil

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Other benefits available to senior most functionaries in Government

Category	Telephone Facility	House Facility	Water and Electricity Facility	Medical Facility	Convenience Advance
1. Chief Election Commissioner	1. With 1 fax facility & 1 fax facility. 1 fax and 1 cellular phone	Free accommodation	N.A.	D.C.H.S. facility	N/A
2. Election Commissioner	Office: 2 - with 1 fax facility & 1 fax facility. 1 fax and 1 cellular phone	Free accommodation	N.A.	D.C.H.S. facility	N/A
3. Chief Justice Supreme Court	No specific limit	Post free furnished accommodation or Rent @ Rs. 3000/- per month. Furnishing - Rs. 1,50,000/-	Free Water and Electricity	Full reimbursement of medical expenses on prescription of Govt. Medical Officer, Medical Practitioner	Convenience advance of Rs. 80,000/- or 18 units per whichever is less
4. Justice Supreme Court	No specific limit	Post free furnished accommodation or Rent @ Rs. 3000/- per month. Furnishing - Rs. 2,00,000/-	Free Water and Electricity		
5. Chief Justice High Court	Varies from State to State (in Delhi 15,000 calls per annum at residence)	Post free furnished accommodation or Rent @ Rs. 2500/- per month. Furnishing - Rs. 2,00,000/-	3,600 L.L. of water and 10,000 units of power per annum	As available to the Members of C.A.S. to line ranks of Secretary to the Govt. of India	N.A.
6. Justice High Court		Post free furnished accommodation or Rent @ Rs. 2500/- per month. Furnishing - Rs. 1,50,000/-	3,600 L.L. of water and 10,000 units of power per annum		N.A.

Part IV

Civilian Employees : Payscales



Blessed is he who expects nothing, for he shall never be disappointed

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General Recommendations on Pay Structure

INTRODUCTION

*Number of Pay
scales*

43.1 Pay scales tend to multiply between Pay Commissions. The First CPC had recommended about 30 standard scales and about 150 scales in all. At the time of the Second CPC the number of scales exceeded 500.

43.2 The Second CPC recommended a total number of 140 scales in all. At the time when the Third CPC was constituted the number of pay scales had again crossed the 500 mark. The Third CPC reduced the number of scales to 80. When the Fourth CPC started functioning, the number of pay scales had again risen to 153. The Fourth CPC in their recommendations reduced these scales to 36. But as of today there are 51 standard scales in existence in the Government of India.

*Rationalising Pay
scales*

43.3 An attempt has been made to rationalise the existing 51 standard scales of pay before formulating their corresponding revised scales of pay.

MINIMUM AND MAXIMUM SALARY

*Minimum-
maximum ratio
not to be reduced*

43.4 In the preceding chapters we have dealt with the question of determination of the two cardinal points viz., the minimum pay of the lowest functionary in Govt. and the highest pay of the Secretary to Govt. of India. After considerable discussion we arrived at the figure of Rs.2440 as the minimum basic pay and Rs. 26000 as the salary of the Secretary. Thus we have retained the minimum-maximum ratio of 1 : 10.7 which had been fixed by the Fourth CPC. It is our feeling that if this ratio cannot be increased, it should not be allowed to get reduced either. That is the reason why we have advocated a 100% neutralisation of cost of living at the higher levels. The figures of maximum and minimum salaries give an arithmetical relationship of approximately 3.25 between

Part IV

Civilian Employees : Payscales

Blessed is he who expects nothing, for he shall never be disappointed



सत्यमेव जयते

Pope

Section I

Pay Scales for Organised Services and Common Categories



सत्यमेव जयते

Section I

Pay Scales for Organised Services and Common Categories



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plier factor the new basic pay and the unrevised basic pay. Normally, the application of such a broad arithmetical ratio could have yielded all the scales that we wanted, but we were compelled to make a number of other changes which involved either the merger of scales or rationalisation of the pre-revised scales or a change in the span of the revised scales. There were other considerations too, which we have tried to explain in the succeeding paragraphs.

MERGER OF SCALES

43.5 We have merged a number of scales, because the existing scales were too close to each other, or because we decided to do away with some scales altogether. The logic of the merger in each case is explained below

1. Rs.950-1400
Rs.950-1500
Rs.1150-1500
These were merged because the first two scales were identical but for a difference in span and the third was an unusual scale which started at a higher stage but ended at Rs.1500.
2. Rs.975-1540
Rs.975-1660
These two scales were also identical, but for a difference in span.
3. Rs.1200-1800
Rs.1200-2040
Rs.1320-2040
The latter two scales are identical but for a difference in span. Rs.1200-1800 was a scale for skilled II category of artisans, while Rs.1320-2040 was the scale for skilled I category artisans. We decided to merge these categories, so that the artisans could progress directly from Rs.950-1500 to Rs.1320-2040 on the analogy of LDCs being promoted as UDCs. This merger has thus taken away one of the chief grievances of artisans who always felt discriminated vis a vis their ministerial counterparts.
4. Rs.1350-2200
Rs.1400-2300
These two scales were too close to each other.
5. Rs.1400-2600
Rs.1600-2660
These are identical scales but for difference in span. It was felt that there were too many promotional scales for Group 'C' employees and retention of such scales gave little relief to these employees even on promotion.
6. Rs.2000-3200
Rs.2000-3500
These are identical scales but for difference in span. In many offices, persons were being promoted from Rs.2000-3200

- (Group 'C' scale) to Rs.2000-3500 (Group 'B' scale)
This was an illusory promotion.
7. Rs. 2375-3500
Rs. 2375-3750
The difference between the two scales is very marginal and there would not be any material difference due to their merger
8. Rs. 2200-4000
Rs. 2300-2800
The second scale was a very short-duration scale of 5 years' span and did not serve any purpose.
9. Rs. 3000-3625
Rs. 3000-4500
Rs. 3000-5000
The first scale was for a very small category of employees of Department of Atomic Energy and other departments. The latter two scales were identical scales with a difference in span only. The last scale was meant for scientific services. We have tried to integrate the scientific services into the general fraternity of Group 'A' services, by converting some odd scales into the standard Group 'A' scales.
10. Rs. 3700-4450
Rs. 3700-5000
The first scale was unusually short in duration and applied to very few categories.
11. Rs. 4100-5300
Rs. 4500-5700
The first scale was the selection grade for unorganised Group 'A' services and Indian Forest Service and the second was the NFSG for organised Group 'A' services. By merging the two scales, we have given the benefit of the same scale to the unorganised services & IFS.
12. Rs. 5100-5700
Rs. 5100-6150
Rs. 5100-6300
The first was an unusually short-duration scale for some scientific services and isolated posts. The second was for DIGs of Police. The third was again for some scientific services. We have combined the three as a measure of rationalisation.
13. Rs. 5900-6700
Rs. 5900-7300
These are identical scales with a difference in span. In fact, we have now expanded the span of the scale meant for Joint Secretaries and equivalent so that they do not stagnate in that scale. Currently, the Joint Secretary's scale had a span of only 4 years which has now been raised to 8 years.

14. Rs 7600/-fixed
Rs. 7600-8000

There was no reason for keeping
a fixed pay of Rs 7600, when all the other scales
between Rs. 7300 and Rs 8000 had been converted
into regular scales.

MERGER OF SCALES AND ACP

43.6 In the new dispensation where we are attempting to guarantee financial upgradations to all employees, it was considered important that there should be substantial financial benefits to the employees at the time of ACP upgradation. This objective would not have been achieved, especially in the case of Group B and C employees if the scales had been allowed to remain close to each other. This is only one of the major reasons for merger of scales.

TREATMENT OF BLUE COLLAR AND WHITE COLLAR EMPLOYEES

43.7 There has been a long-standing perception that the white collar employees mainly consisting of the ministerial staff have been able to manage more attractive scales of pay with smaller number of stages for promotion. In the subordinate offices, the LDC in Rs. 950-1500 would be promoted as UDC in Rs. 1200-2040 and then to the level of Assistant in the scale of Rs. 1400-2600. On the other hand, the blue collar workers in subordinate offices moved from the skilled category of Rs. 950-1500 to highly skilled II (Rs. 1200-1800), then to highly skilled I (Rs. 1320-2040) and then to Mastercraftsman (Rs. 1400-2300).

43.8 In order to alleviate this sense of grievance, we have, as a first measure, decided to merge the grades of Highly skilled I and II into one scale of Rs. 1320-2040.

43.9 We have also tried to improve the promotion prospects of artisans in defence establishments by suggesting a more favourable inter-grade ratio for them. An inter-grade ratio has also been recommended for technical supervisors, with the same objective in mind.

43.10 A general improvement of the pay scales of technical supervisors has also been suggested on the basis of their entry qualification of diploma in different disciplines of engineering. All of them would thus be upgraded from Rs. 1400-2300 to Rs. 1600-2660 in present terms.

IMPROVEMENTS PROPOSED AT CERTAIN LEVELS

Group 'D' scales

43.11 In the proposed revised scales of pay, certain improvements have been effected at some levels. Earlier, the difference in pay between the minima of the three group 'D' scales was at the rate of Rs. 25/- each. In the revised scales, on the analogy of the pre-revised minima, the differences between these Group 'D' scales should have been at the rate of Rs. 80/- or so. However, the difference contemplated in the proposed revised pay is Rs. 110/- and Rs. 100/- respectively.

<i>Four grade structure</i>	43.12	In the pre-revised pay scales there were only two grades for group 'D' staff, i.e. Rs. 750-940 and Rs. 775-1150. But in the contemplated Assured Career Progression scheme, group 'D' staff have been given a four-grade structure viz., Rs. 2440-3200, Rs. 2550-3540, Rs. 2650-4000 and Rs. 2750-4400. We have also dropped the pejorative designations of "khalasi" and "unskilled worker" and are instead mentioning the artisan in the scale of pay of Rs.750-940 by the more grateful appellation of "Shramik".
<i>Increased span</i>	43.13	In the proposed scales, the span of all the Group 'D' scales has been increased. In the four scales mentioned above, the span has been increased by 4 years, 3 years, 4 years and 10 years respectively. This has been consciously done to reduce the stagnation presently being faced by Group 'D' staff. The contemplated A.C.P. scheme coupled with the increase in the span of Group 'D' scales will certainly help in reducing the stagnation amongst Group 'D' employees.
<i>Matric entry posts</i>	43.14	Pay scales of posts requiring recruitment qualifications of Matriculation, I.T.I. certificate etc. have been rationalized and they are proposed to be placed as far as possible in the scale of Rs. 950 -1500 which is being replaced by the scale of Rs. 3050-70-4590.
<i>Direct entry grade for graduates etc</i>	43.15	Presently, incumbents of a large number of posts requiring qualifications of ordinary Graduation or a three year Diploma course in engineering, fine art etc. are in different scales; i.e., Rs. 1200-2040, Rs.1400-2300, Rs.1400 - 2600, Rs. 1600 - 2660 and Rs.1640-2900. In order to bring about improvement, it is proposed to induct entrants to the posts requiring graduation, three year diploma course etc. as minimum entry qualification in the scale of Rs.1400-2300, Rs.1600-2660 and Rs.1640-2900. Most of the Jr. Engineers, Jr. Scientific Assistants, Technical Assistants, Investigators etc. who are presently distributed in these different scales will be benefited by this measure of rationalisation. However, there may still be some exceptional cases where this improvement has not been effected. This has been due to various factors like job content, skill requirements, inter se horizontal and vertical relativities etc.
<i>Direct entry grade for Engineering graduates, post-graduates CAs. etc.</i>	43.16	The scales of Rs.2000-3200 and Rs.2000-3500 are proposed to be merged into Rs.2000-3500. This scale has been identified as direct entry grade for degree holders in Engineering and law, Post graduates in any other subjects, Chartered Accountants, Cost and Works Accountants etc. However, there may still be cases where posts requiring any of the above qualifications have still been continued in scales like Rs.1600-2660 or Rs.1640-2900. This is due to the fact that apart from recruitment qualifications, other factors like job content, skill requirements, inter-se horizontal and vertical relativities etc. have also been taken into consideration in the determination of pay scales for various posts. In certain cases upgradation to the scale of Rs.2000-3500 would result in a quantum jump over 2 or 3 intermediate scales, which has been generally avoided, keeping in view the need for not unduly disturbing existing relativities.
<i>Pay at Group 'A' entry level</i>	43.17	In the wake of the recent spurt in the pay packages of private and public sector executives, the entry into Central Govt. at Group 'A' level has become least attractive for bright young people. With a view to reversing this trend and to attract the best talent into Govt., the pay scale at the starting stage of Group

A' services has been hiked up. In the normal course, the starting pay at Jr Time Scale would have been around Rs 7000/- Instead, it has been raised to Rs 8000/-.

INCREMENT

Increment in % terms 43.18 The increment in the proposed revised scale ranges between 1.64% to 3.44% with reference to the minimum of the scales and from 1.42% to 3.32% with reference to the mean of the scales. The increment of Rs.40 at the lowest point of Rs.2440-40-3200 works out to 1.64% of the minimum of the scale at Rs.2440/- and 1.42% of the mean of the same scale at Rs.2820/-. The increment of Rs.275 in the scale of Rs.8000-275-13500 works out to 3.44% of the minimum of the scale at Rs. 8000.

Increment in % terms in Fourth CPC scales 43.19 In the pre-revised pay scales, the percentage of 1st increment with reference to the minimum of the scale ranged from 1.55 to 3.66 and with reference to the mean of the scale the percentage of 1st increment ranged between 1.25 to 3.17. The percentage of the 1st increment with reference to the minimum pay in the Third CPC recommendations ranged between 1.25 to 8.33.

Results of analysis 43.20 An analysis of the increment structure in the proposed scales reveals that the percentage of increment with reference to the minimum of the scale has marginally gone up in the Group 'D' scales vis a vis that in the pre-revised scale. There is a reduction in the increment percentage in the higher scales with reference to their counterpart rates in the pre-revised scale of pay.

MALAYSIAN MATRIX SALARY SCHEDULE

Performance related pay 43.21 It has been long felt that salary progression should be dependent on individual performance so that positive competition among personnel is generated and the performance of employees is evaluated according to their levels of achievement. This is the idea behind the scheme of Performance Related Pay (PRP) that has been promulgated by several countries. We feel that time is not yet ripe for the full-fledged adoption of the PRP scheme. In this context it may be worthwhile to examine the feasibility of adopting with suitable changes, the scheme of Matrix Salary Schedule, which the Commission noticed during its visit to Malaysia.

Features of MSS 43.22 The scheme of Matrix Salary Schedule (MSS) has been in force in Malaysia since 1992. The Matrix Salary Schedule has the following features:-

- (i) Salary steps(T) are arranged horizontally (T1,T2,T3,T4.....) on salary level (P)
- (ii) Each grade in the MSS consists of 3 levels (P1,P2,P3.....)
- (iii) Salary steps (T1,T2,T3.....) arranged on the 3 levels (P1,P2,P3)

are based on varying rates of increment. The rate of P3 is higher than level P2 and the rate at level P2 is higher than P1.

ILLUSTRATION

Matrix Salary Schedule for Engineering Service

Grade J3

	T1	T2	T3	T4	T5	T6	T7	T8	..	T21
P1	1357	1423	1489	1555	1621	1687	1753	1819	..	3029
P2	1426	1495	1564	1633	1702	1771	1840	1909	..	3229
P3	1498	1570	1642	1714	1786	1858	1930	2002	..	3428

*Four ways of
salary
progression*

43.23 Salary progression from one level to another, viz. P1 to P2 or P3, does not involve a promotion, but it is linked to performance. The initial salary for any person appointed is fixed on level 1(P1) on any appropriate step (T) within the grade. After being appointed to a specific grade in the relevant MSS and having served for three years, the salary progression for this person will occur on salary steps in all three levels (P) of the MSS, subject to the person's individual performance. The salary progression of any person in Malaysia can occur in four ways.

- Static or no progression** - Where the person remains at P1T3 (Level P1 and step T3) if the performance is not satisfactory.
- Horizontally** - Where the person progresses to next step (T) (e.g. P1T3 to P1T4) if the performance is satisfactory.
- Vertically** - Where the progression is vertical e.g. P1T3 to P2T3, (there is increase in level) if the performance is good.
- Diagonally** - Where the progression is diagonal i.e. from P1T3 to P2T4 if the performance is excellent.

The chart below may illustrate

P1T3 - P1T3	-	Static - Not Satisfactory-No increment
P1T3 - P1T4	-	Horizontal-Satisfactory-One increment
P1T3 - P2T3	-	Vertical- Good-One increment of higher value in P2 level
P1T3 - P2T4		Diagonal - Excellent-Two increments one horizontally and another vertically

PERFORMANCE RELATED INCREMENT (PRI)

PRI

43.24 Due to various administrative and technical difficulties and the constraints in breaking up the pay scales into different levels, it may not be possible to adopt the system of Malaysian Matrix Salary Schedule (M.S.S.) as such in our set - up. But this principle can be incorporated in our system by slightly modifying it to suit our environment. This can be done through the Performance Related Increment (PRI) Scheme, by the grant of an extra increment in addition to the normal increment in recognition of exceptionally meritorious performance. But the grant of additional increment may be restricted to persons not exceeding 5% of total Cadre strength of the organisation each year. "Organisation" here refers to Ministry/Department proper, attached or subordinate office etc. which exist as an identifiable separate unit. Grant of additional increment may not require the recommendation of the DPC. The Competent Authority may be empowered to grant the additional increment.

Denial of Increment

43.25 Likewise, those persons whose performance is unsatisfactory or below average may be denied the grant of increment. The competent Authority may be empowered to withhold annual normal increment without going through the formality of initiating departmental proceedings against the official. This would involve amendment of the CCS (Conduct) Rules which has been suggested in the relevant chapter. This should again be restricted to not exceeding 5% of the total cadre strength of the Organisation.

Criterion

43.26 The above scheme may be made applicable across the board to all Central Government employees. Broad criteria may be that persons who have been graded outstanding or above continuously for the previous five years and have also been certified outstanding by the Head of the Organisation/Deptt. may be considered for this. A person who has thus got one extra increment may be considered again, only after the lapse of another five years. In total, an official may not be granted more than three extra increments, during the entire period of his service.

EFFICIENCY BAR

Background

43.27 Efficiency Bar is intended to check the continued drawal of increments in the case of proved inefficiency. The Islington Commission insisted on the time scale system being coupled with 'Efficiency Bar'. The First CPC retained Efficiency Bar generally. So did the Second CPC when it retained Efficiency Bar on the ground of discriminating between satisfactory and unsatisfactory workers. The Third CPC justified Efficiency Bar to ensure quality of work. The Fourth CPC retained it in Group B, C and D scales only. However, they abolished E.B. in Group 'A' scales except for the lowest rung in that group: i.e. 2200-75-2800-EB-100-4000. With effect from 1.1.1993, Government abolished Efficiency Bar in respect of Group 'D' employees also.

Various views

43.28 Views reflected in the memoranda were mostly in favour of discarding Efficiency Bar altogether. National Council (Staff Side), J.C.M demanded its discontinuance on the ground of misuse and delay in assessment by

*Reason for
abolition*

the DPCs. Most of the major employer Ministries/Departments favoured its abolition. The Special Review Group (SRG) set up in the Department of Personnel to review existing rules and procedures also recommended abolition of Efficiency Bar and deletion of FR 25.

43.29 Since it is proposed to introduce the Performance Related Increment (PRI) Scheme, it may not be necessary to continue with the system of Efficiency Bar. We recommend its abolition.

PROPOSED SCALES

43.30 The details of the existing scales, and the proposed revised scales are given in Annexure -43.1

43.31 It may be clarified that while discussing the various pay scales, the Commission came to the conclusion that there was need for another payscale between Rs.2000-3500/2375-3500/2375-3750 on the one hand and Rs.2200-4000 or Rs.3000-4500 on the other. As such, we coined a pre-revised payscale of Rs.2500-4000 as a Group 'B' payscale, to act as an intermediate stage. As we had already decided to raise the revised payscale corresponding to Rs.2200-4000 to Rs.8000-13500 (instead of Rs.7000 etc. as it should have become if the broad multiplier of 3.25 were used) there was a gap of Rs.1000. It should be clearly understood that the pre-revised scale of Rs.2500-4000 (as it corresponds to a revised scale of Rs.7500-12000) is a lower scale than Rs.2200-4000 (as it corresponds to a revised scale of Rs.8000-13500).

43.32 It may be mentioned that the above payscales have been formulated on the assumption that all other allowances admissible to the employees such as Dearness Allowance, House Rent Allowance, City Compensatory Allowance, Attendant Allowance, Transport Allowance etc. are granted to them net of Income Tax as recommended by us in Chapter 167.

FIXATION FORMULA

43.33 The formula for fixation of pay in the revised scales, along with illustrations is discussed in a later Chapter.

FINANCIAL IMPLICATIONS

43.34 The net financial implications on account of implementation of proposed scales of pay in respect of Central Government employees who are covered by our terms of reference work out to Rs. 2255.52 crores, the break-up of which is as follows:-

Category	Number of Employees (in lakhs)	Net Financial implication. (Rs.in Crores)
1.	2.	3.
Civilian Employees of Central Govt.(including Union Territories)	40.42	1595.52
Armed Forces Personnel	12.32	660.00
Grand Total	52.74	2255.52

Third IR

43.35 Since the third instalment of Interim Relief, which was granted with effect from April, 1996, is to be subsumed within this, the net financial implication will be further reduced to that extent.



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PROPOSED SCALES OF PAY

SL. NO.	EXISTING STANDARD SCALES OF PAY (Rs.)	GRADES	REVISED STANDARD SCALES OF PAY (Rs.)	SPAN IN YEARS
1.	750-12-870-14-940	S-1	2440-40-3200	19
2.	775-12-871-14-1025	S-2	2550-45-3540	22
3.	800-15-1010-20-1150	S-3	2650-50-4000	27
4.	825-15-900-20-1200	S-4	2750-55-4400	30
5.	950-20-1150-25-1400 950-20-1150-25-1500 1150-25-1500	S-5	3050-70-4590	22
6.	975-25-1150-30-1540 975-25-1150-30-1660	S-6	3200-85-4900	20
7.	1200-30-1440-30-1800 1200-30-1560-40-2040 1320-30-1560-40-2040	S-7	4000-100-6000	20
8.	1350-30-1440-40-1800-50-2200 1400-40-1800-50-2300	S-8	4500-125-7000	20
9.	1400-40-1600-50-2300-60-2600 1600-50-2300-60-2660	S-9	5000-150-8000	20
10.	1640-60-2600-75-2900	S-10	5500-175-9000	20
11.	2000-60-2120	S-11	6500-200-6900	2
12.	2000-60-2300-75-3200 2000-60-2300-75-3200-100-3500	S-12	6500-200-10500	20
13.	2375-75-3200-100-3500 2375-75-3200-100-3500-125-3750	S-13	7000-225-11500	20
	2500-4000 (proposed new pre-revised scale)	S-14	7500-250-12000	18
14.	2200-75-2800-100-4000 2300-100-2800	S-15	8000-275-13500	20
15.	2630/- FIXED	S-16	9000/- fixed	
16.	2630-75-2780	S-17	9000-275-9550	2
17.	3150-100-3350	S-18	10325-325-10975	2
18.	3000-125-3625 3000-100-3500-125-4500 3000-100-3500-125-5000	S-19	10000-325-15200	16
19.	3200-100-3700-125-4700	S-20	10650-325-15850	16

SL. NO.	EXISTING STANDARD SCALES OF PAY (Rs.)	GRADES	REVISED STANDARD SCALES OF PAY (Rs.)	SPAN IN YEARS
20.	3700-150-4450 3700-125-4700-150-5000	S-21	12000-375-16500	12
21.	3950-125-4700-150-5000	S-22	12750-375-16500	10
22.	3700-125-4950-150-5700	S-23	12000-375-18000	16
23.	4100-125-4850-150-5300 4500-150-5700	S-24	14300-400-18300	10
24.	4800-150-5700	S-25	15100-400-18300	8
25.	5100-150-5700 5100-150-6150 5100-150-5700-200-6300	S-26	16400-450-20000	8
26.	5100-150-6300-200-6700	S-27	16400-450-20900	10
27.	4500-150-5700-200-7300	S-28	14300-450-22400	18
28.	5900-200-6700 5900-200-7300	S-29	18400-500-22400	08
29.	7300-100-7600	S-30	22400-525-24500	4
30.	7300-200-7500-250-8000	S-31	22400-600-26000	6
31.	7600/- fixed 7600-100-8000	S-32	24050-650-26000	3
32.	8000 /- FIXED	S-33	26000/- FIXED	-
33.	9000 /- FIXED	S-34	30000/- FIXED	-

*Note: It may be clarified that while discussing the various pay scales, the Commission came to the conclusion that there was need for another payscale between Rs.2000-3500/2375-3500/2375-3750 on the one hand and Rs.2200-4000 or Rs.3000-4500 on the other. As such, we coined a pre-revised payscale of Rs.2500-4000 as a Group 'B' payscale, to act as an intermediate stage. As we had already decided to raise the revised payscale corresponding to Rs.2200-4000 to Rs.8000-13500 (instead of Rs.7000 etc. as it should have become if the broad multiplier of 3.25 were used), there was a gap of Rs.1000. It should be clearly understood that the pre-revised scale of Rs.2500-4000 (as it corresponds to a revised scale of Rs.7500-12000) is a lower scale than Rs.2200-4000 (as it corresponds to a revised scale of Rs.8000-13500).

Classification of Services and Posts

PRESENT CLASSIFICATION

*Classification of
civil posts*

44.1 Civil Services and posts under the Central Government are at present classified under four groups as follows:-

Sl.No.	Description	Group
1.	A central civil post carrying a pay or a scale of pay with a maximum of not less than Rs.4000.	A
2.	A central civil post carrying a pay or a scale of pay with a maximum of not less than Rs.2900 but less than 4000/-.	B
3.	A central civil post carrying a pay or a scale of pay with a maximum over Rs.1150 but less than Rs.2900/-.	C
4.	A central civil post carrying a pay or a scale of pay the maximum of which is Rs.1150 or less.	D

44.2 Prior to Third CPC, instead of 'Groups' these were designated as 'Classes', I, II, III and IV.

*Certain
exceptions*

44.3 Though a majority of the posts in the Govt. are classified on the above lines, certain deliberate departures have been made in certain cases. For example, Assistants and Grade 'C' Stenographers of Central Secretariat, who are in the scale of Rs.1640-2900, are classified as Group 'B', whereas a large number

of other posts in the same scale are classified as Group 'C'. Some posts in the pay scale of Rs. 2000-3200 and 2375-3500 in certain Offices/ Departments have been classified as Group 'C'.

44.4 Department of Personnel and Training have clarified that though there were certain exceptions to the rule, like the case of Assistants of Central Secretariat, the effort was to ensure that posts carrying similar functions were given the same classification. There were situations in which the functions of a post might not adequately match the high pay scale attached to it and therefore, though they were eligible for higher classification, they were classified at a lower level.

VIEW OF PREVIOUS PAY COMMISSIONS

*Views of First
CPC*

44.5 On the question of 'Classification of Services', the First CPC examined whether there was need or otherwise for separate class I and Class II services or alternatively the two groups could be merged into one gazetted service. After detailed examination, the Commission concluded that it was desirable to retain the two classes. They also recommended change in the nomenclature of services then described as 'Subordinate' and 'Inferior' into Class III and Class IV services respectively.

*Views of Second
CPC*

44.6 The Second CPC also discussed this issue and came to the conclusion that the existing classification served no practical purpose which could not be served without it and on the other hand, it had an unhealthy psychological effect. The Commission recommended that the classification should be given up and the amendments that would be necessary in respect of the Central Civil Service (Classification, Control and Appeal) Rules 1957 and of certain other rules and orders should be carried out. In making this recommendation it took note of the practice in other countries including those with a large and complex civil service, where it had not been found necessary to super-impose upon their civil service grades and occupational groups a broad classification as exists in this country.

44.7 The Government, however, did not accept this recommendation since it was found that the existing classification was convenient for personnel management. A proposal to replace the existing nomenclature of Class I, Class II, Class III and Class IV by Group 'A', Group 'B' Group 'C' and Group 'D' was also considered on the ground that the word 'Class' might hurt the susceptibilities of some sections of the employees. This proposal was not accepted since it was felt that a mere change in the name was of no practical value.

*Views of Third
CPC*

44.8 The Third CPC expressed the view that classification based on an assumed equivalence of the work content in different levels of the various occupational Groups and, hence of the pay ranges, was necessary for personnel administration. The system of classification was fairly well known and the employees had become accustomed to it. It had the advantage that orders could be issued or the existing orders amended, by referring to the particular classes covered. There was no lack of precision in this course in terms of administrative convenience, but much verbiage, otherwise necessary in having to define the categories or occupational groups covered, was thereby obviated.

44 9 The Third CPC, however, replaced 'Classes' by the expression 'Groups'. Thus Classes I, II, III and IV were re-designated as Groups 'A', 'B', 'C' and 'D'.

*Views of the
Fourth CPC*

44 10 The Fourth CPC too examined the matter. They held the view that such classification enabled the Government to examine and decide matters of common interest to the Group or Groups concerned. It played a vital role in disciplinary matters also. They, therefore, recommended the continuance of the system of classification of services.

Views of DOPT

44 11 In order to have a proper appreciation of this question, we sought the advice of the Department of Personnel and Training. They have opined that classification of posts as Group A, B, C & D mainly served the purpose of disciplinary rules so as to regulate the appointing, reviewing and appellate authority. It is precisely for this reason that the same was incorporated under the CCS(CCA) Rules, 1965. The classification had also been made use of to regulate orders relating to Group Insurance, age of retirement etc.

INTERNATIONAL EXPERIENCE

*Practice in other
countries*

44 12 This issue was also examined in the light of the systems prevalent in other countries.

44 13 In the United Kingdom the civil service is divided into a large number of classes, the main components of which are the administrative class, the executive class, the clerical class and the messengerial class. There are other classes such as the Work Groups of Professionals, Economists and Statisticians, Scientific Officers and Medical Officers. The other Commonwealth countries, except Canada and Australia, generally have the same structure. The civil service of West Germany follows a practice of classifying the employees into four classes of service, namely the higher, the elevated, the middle, and the simple. The division is based on occupational differences, methods of recruitment and the pay range admissible to each service. In the United States the whole service is divided into hundreds of occupational groups known as "series", comprising individual posts at various levels. The latter are placed in one or other of 18 grades common to the whole service. There is no further classification. In Canada and Australia the groupings are similar to those in the USA, though there is a greater variety of grades and pay scales.

OUR RECOMMENDATIONS

44 14 Having examined the issue from different perspectives, we have come to the definite conclusion that the existing classification serves no practical purpose. The time has come to give a decent burial to the present system and to make it a true representative of futuristic working environment in the Government.

44 15 There is need to inculcate a feeling among civil servants that they all belong to an integrated administrative machinery. Any system of classification

or nomenclature, which is likely to hamper the growth of such a feeling, in howsoever small measure it may be, should go, unless it serves a definite practical end which cannot be achieved adequately otherwise. Most of the other countries, including those with a large and complex Civil Service Organisation, have not found it necessary to have a classification system like ours

*Recommendation
of Tata
Consultancy
Services*

44.16 A study on "Restructuring of the Government Offices" was entrusted to the Tata Consultancy Services by us. They have recommended that the hierarchical levels in the organisational structure should be reduced to seven so as to ensure that there are no unnecessary levels for reporting purposes and to keep the organisation as flat as possible. The levels proposed by them for an ideal Government office are -

- | | |
|------|-------------------|
| i. | Chief Executive |
| ii. | Senior Executive |
| iii. | Middle Executive |
| iv. | Junior Executive |
| v. | Supervisory |
| vi. | Assistant |
| vii. | Support/attendant |

44.17 There is a philosophical distinction between the Group or Class system which prevails at present in the Government and the functional classification as suggested by the TCS. The functional classification is not based merely on status, as in a feudal society, but on the functional needs of a management system.

44.18 We would, therefore, favour a shift to a new classification, but with certain modifications in the TCS model. Executives may be divided into three subdivisions - Top Executives, Senior Executives and Executives. Assistants may be renamed as Supporting Staff, while attendants may be called Auxiliary Staff. The suggested names define their functions as also impart a certain dignity to their office.

PROPOSED FUNCTIONAL CLASSIFICATION

44.19 The existing grades in the Government of India are proposed to be grouped under the following levels:-

S.NO.	LEVELS	GRADES IN THE PRE-REVISED SCALES OF PAY
i)	Auxiliary Staff	750-940 775-1025 800-1150

S.NO.	LEVELS	GRADE IN THE PRE-REVISED SCALES OF PAY
ii)	Supporting Staff	825-1200 950-1400 950-1500 1150-1500 975-1540 975-1660 1200-1800 1200-2040 1320-2040 1350-2200 1400-2300 1400-2600 1600-2660 1640-2900
iii)	Supervisory Staff	2000-2120 2000-3200 2000-3500 2375-3500 2375-3750 *2500-4000
iv)	Executives	2200-4000 2300-2800 3000-4500 3000-5000 3200-4700 3700-5000 3950-5000 4100-5300 4500-5700 4800-5700
v)	Sr Executives	5100-5700 5100-6150 5100-6300 5100-6700 4500-7300 5900-6700 5900-7300
vi)	Top Executives	7300-7600 7600-(fixed) 7300-8000 7600-8000 8000 9000

*See para 43.31

44.20 With the proposed reorganisation of various grades into 'levels', the existing system of classification of services into Groups 'A', 'B', 'C' and 'D' can be done away with. For the purpose of disciplinary rules Government can declare the Appointing, Reviewing and Appellate Authorities, with reference to the levels of the posts.

DISCONTINUANCE OF GAZETTED STATUS

44.21 The other distinctions which has been inherited from the colonial past and is unique to us is that between gazetted and non-gazetted officials. Initially, gazetted officers used to be few in number and so important as to find a mention in the Official Gazette, every time they were appointed, promoted, transferred and so on. Today, the phrase 'gazetted' is more of an anachronism. This practice makes the present day official Gazettes unnecessarily voluminous and, in turn, results in a general apathy of civil servants towards the Gazettes. Gazetted status has now been reduced to one more element in the caste hierarchy of the Civil Service. In practical terms, all it means that a particular official can attest copies of documents, issue character certificates, attest passport forms etc.

44.22 We may, therefore, abolish this distinction too and lay down the law that all executives and supervisory personnel would have the powers of attestation etc. currently vested in the gazetted officers.



Headquarters Organisation of the Government of India

INTRODUCTION

*Ministries/
Departments*

45.1 The Secretariats of the Ministries and Departments of the Government of India together constitute the headquarters organisation. The Allocation of Business Rules framed under the Constitution determine the type of work to be transacted in each Ministry and Department. With the expansion of the activities of Government in various fields, there has been a tremendous increase in the volume of business transacted in the headquarters organisation which is also called the Central Secretariat. Government's accountability to Parliament, creation of a large number of public sector undertakings in various fields, intense scrutiny exercised by Standing Committees of Parliament of the functioning of various Ministries and Departments, etc., are some of the factors which have led to increased secretariat work. To cope with the increased workload, the number of Ministries and departments has gone up to 81 from 71 in 1986, 51 in 1973, 25 in 1957 and 18 in 1947.

Secretariat

45.2 Each Ministry/Department has a Secretariat whose main role is to help the Government in the tasks of policy formulation, preparation of programmes in order to translate these policies into coordinated action and ensuring effective execution of Government's policies through periodic review. The Secretariat also helps the Minister to discharge his accountability to Parliament, including the various Parliamentary Committees. The detailed execution of Government's policies, specially in the field is left to agencies outside the Secretariat which may be attached or subordinate offices of the Ministries or quasi-Government institutions or autonomous public sector undertakings, but is always subject to supervision by the Secretariat.

*Hierarchical set-
up*

45.3 In the hierarchical set-up of a Ministry, below the Minister, Secretary is the administrative head of the Ministry who has been described by the Administrative Reforms Commission as the principal adviser of the Minister on policy matters and his chief agent for ensuring the implementation of policies and

programmes. In the larger Ministries, where the volume of work so requires, a recognisable area of work is entrusted to a separate department under the charge of a Secretary or Additional Secretary. The business allocated to a Ministry/Department is generally divided into Wings, Divisions, Branches and Sections under the charge of a Joint Secretary, Deputy Secretary, Under Secretary and Section Officer respectively. Taking the posts of Director and Deputy Secretary as being at the same level, the structure of the Central Secretariat is composed of nine grades from Secretary/Special Secretary to Lower Division Clerk.

*Services manning
the posts*

45.4 The administrative posts in the Secretariat are manned by officers from All India Services, Group 'A' Central Services on deputation and by members of Central Secretariat Service (CSS). The CSS Officers provide continuity in the work of the Secretariat. Secretariat posts in the Ministries of External Affairs, Law and Justice/ Department of Company Affairs and Ministry of Railways are generally held by officers of Indian Foreign Service, Central Legal Service and Railway Services respectively.

CENTRAL STAFFING SCHEME

*Central staffing
scheme*

45.5 The Central Staffing Scheme for manning senior administrative posts in the Secretariat, i.e. posts of and above the rank of Deputy Secretary, was notified by the Central Government on 17.10.1957. The Scheme has been reviewed and amended from time to time and the consolidated version has been notified by the Department of Personnel and Training vide O.M. No.36(32)-EO/88 (SM-I) dated 15.7.1992. The scope of the Central Staffing Scheme is bound by the following parameters:-

- (i) All posts of the rank of Under Secretary and above in the Government of India, excluding such posts of Under Secretary and Deputy Secretary as are filled by CSS officers, are filled on tenure deputation from the All India Services and the participating Group 'A' Services of the Central Government.
- (ii) In so far as the officers from the Central Secretariat Services (CSS) are concerned, a specified number of posts at the levels of Under Secretary and Deputy Secretary are treated as part of their Cadre, and posts over and above these are filled under the Central Staffing Scheme.
- (iii) In terms of the provisions of article 312 of the Constitution, the Indian Administrative Service, the Indian Police Service and the Indian Forest Service are All India Services common to the Union and the States. Every State cadre of each of these Services provides for a central deputation quota, which in turn requires additional recruitment to be made to these Services, to provide for trained and experienced members of these services to serve on posts in the Central Government. Accordingly, utilisation of the central deputation quota of different State Cadres is an important factor governing the scale at which officers are borrowed from the various State cadres of these All India Services. However, no post so filled

by a member of any All India Service on tenure deputation can be deemed to be a cadre post of that Service.

<i>Tenures of posting</i>	45.6	The normal tenure of deputation for posts covered by the Central Staffing Scheme is 3 years, 4 years, and 5 years for posts at the levels of Under Secretary, Deputy Secretary and Director/Joint Secretary respectively. In case a Joint Secretary is promoted as Additional Secretary, he is given a tenure of 3 years from the date of appointment as Additional Secretary subject to a minimum of 5 years and maximum of 7 years of combined tenure as Joint Secretary/Additional Secretary. In other cases, the normal tenure for Additional secretary is four years and for the Secretary, there is no fixed tenure. The eligibility criterion has also been prescribed for selection of officers for manning posts in the Secretariat on tenure deputation from All India Services and various Central Services.
<i>SSB/CEB</i>	45.7	Initially, the Central Establishment Board was set up for operating the Scheme and to advise the Ministry of Home Affairs (MHA) in the matter of selection of officers for tenure deputation at the Centre. In 1970, in place of the earlier board, two boards, namely, the Senior Selection Board (SSB) and the Central Establishment Board (CEB) were constituted to advise the Department of Personnel and Training for staffing administrative posts of and above the rank of Under Secretary to the Government of India.
<i>CSB/CEB</i>	45.8	According to the Central Staffing Scheme notified on 15.7.1992, for staffing posts of the rank of Deputy Secretary, Director and Joint Secretary or equivalent, the Appointments Committee of the Cabinet shall be assisted and advised by the Civil Services Board (CSB) and the Central Establishment Board (CEB). The CSB consists of Cabinet Secretary as the Chairman, Secretary (Personnel) and one Secretary to the Government of India (to be appointed for a year at a time) as Members, Establishment Officer as Member-Secretary and Secretary of the administrative Ministry/Department as co-opted member. The CEB consists of Secretary (Personnel) as the Chairman, three Secretaries to the Government of India as Members (by rotation, for a period of one calendar year) and the Establishment Officer as a Member-Secretary.
<i>Function</i>	45.9	The CSB makes recommendations for appointment to posts of Deputy Secretary, Director, Joint Secretary and other equivalent posts. The CEB is responsible for recommending selection for appointment to all posts of and above the rank of Under Secretary but below the level of Joint Secretary. However, appointment of members of Indian Foreign Service to posts included in the Foreign Service cadre are made on the recommendations of Foreign Service Board. Similarly, appointment to posts under the control of Ministry of Railways are made on the advice of the Railway Board. Appointment to posts under the control of Ministry of Defence, other than civil posts, are made on the advice of Services Selection Board. In respect of appointments to posts in the Ministry of External Affairs, Ministry of Railways and Ministry of Defence, the Civil Services Board and the Central Establishment Board do not advise the Appointments Committee of the Cabinet.
<i>Induction from different services</i>	45.10	The position regarding induction of officers of All India Services, Central Secretariat Service and other Central Services at the level of Deputy Secretary and above in the Central Secretariat in 1972, 1984 and 1995 is indicated in the Table below:

Table as on March 1, 1995

Level of Post	All India Services			Gr. 'A' Central Services			C.S.S		
	1972*	1984*	1995**	1972*	1984*	1995**	1972*	1984*	1995**
Secretary	30	36	71	15	25	21	0	0	0
Additional Secretary	20	27	72	11	38	12	1	1	0
Joint Secretary	86	135	285	60	50	44	23	071	4
Director	81	106	180	39	88	110	88	38	49
Deputy Secretary	108	74	143***	96	71	121***	96	182	144
Total	325	378	751	221	272	308	208	228	207

* 1972 and 1984 figures based on Fourth CPC Report.

** 1995 figures derived by subtracting from the total posts held by officers of different services, as reported by Department of Personnel and Training the posts held by officers of All India Services and Central Secretariat Service.

*** The difference in the number of posts shown in Annexe 45.2 at the end of this chapter and in the above table is because of inclusion in this Table the posts held by officers of Indian Police Service and Indian Forest Service.

Earmarking of posts 45.11 With regard to the Central Staffing Scheme, suggestions have been received from Officers of the various Group 'A' Central Services and the CSS that they should be allowed greater participation in the Secretariat by earmarking a specified number of posts for each service.

Present position 45.12 The position is that prior to 1947, a majority of the superior posts under the Central Government were specifically reserved for Officers of the Indian Civil Service, and even after independence, the Central Government continued to depend mainly on ICS and IAS Officers for manning the positions in the Secretariat. In the case of the All India Services, the rules provide for a Central deputation quota to be utilised for deputing officers to the Centre. In their cases, it is constitutionally mandatory to provide for such a quota, as they have been created by Article 312 of the Constitution in the national interest as services common to the Union and the States. The concept of all India Services is to provide for an exchange of experience between the Central and State Governments.

No change from procedure of appointment 45.13 The situation has changed somewhat over the years and members of the Group 'A' Central Services are also being inducted into the Secretariat in

appreciable numbers. The idea is to make use of their experience and knowledge at the policy making levels in the Government. Considering that their services are already being utilized, we are not in favour of earmarking posts at different levels in the Secretariat for any particular Service. Further, the existing procedure for selection and appointment of senior officers for manning posts in the Central Government from various Services should continue.

CENTRAL SECRETARIAT SERVICE

*Historical
background*

45.14 The Central Secretariat Service (CSS) is one of the earliest organised services. The origin of the service can be traced to the year 1919 when the Imperial Secretariat Service came into being as an offshoot of the Lewlyn Smith Committee which had been set up on the eve of introduction of Montague Chelmsford Reforms. The Committee envisaged the Secretariat Organisation in the nature of a pyramid, the apex of which was the Secretary and the base of the body consisted of Assistant Secretaries. In March, 1946 a Committee set up under the Chairmanship of Sir Richard Tottenham diagnosed the situation then obtaining in the Secretariat as one characterised by "too few officers of the right kind and too many clerks of the wrong kind". He suggested that "to improve quality and reduce quantity, each Under Secretary's Branch should contain two sections and each section should consist of one Superintendent and three Assistants. Each Superintendent should have a smaller charge, but would be expected to do much more original work. He would not just supervise the work of a number of Assistants". In brief, Tottenham recommended a new service of officers to replace the Superintendents and Assistant Secretaries.

MOG Committee

45.15 The Machinery of Government (MOG) Committee (September, 1968) under the Chairmanship of Mr. E.C. Coates recommended that the case noting Assistants should also be replaced by an officer class. The Committee contemplated a service consisting of Assistant Principals and Principals (the former being mainly a training appointment for the latter) in place of Assistants and Supervisors, the posts of Under Secretary being filled by selection from the rank of Principal except to the extent that such posts were to be filled from the All India Administrative Service. It was urged in support of the proposal that Government business had become so complex as to be beyond the capacity of Assistants and Superintendents. The Government examined the proposals and came to the conclusion that in practice they would provide no more than a costlier duplication of the existing Secretariat Organisation.

*Iyengar's Report,
1949*

45.16 The Central Secretariat Service (Reorganisation and Reinforcement) Scheme submitted by Sir R.A. Gopalaswamy Iyengar was evolved in 1949 after a good deal of deliberation at the highest level. The scheme gave concrete shape to the Service which was designed to consist of:

<u>Grade</u>	<u>Designation and scale of Pay</u>	<u>Class</u>
Grade I	Under Secretary Rs 800-50-1150	Class I
Grade II	Superintendent Rs 530-30-800	Class I

<u>Grade</u>	<u>Designation and scale of Pay</u>	<u>Class</u>
Grade III	Assistant Superintendent Rs. 275/325-25-500	Class II
Grade IV	Assistant Rs. 160-450	Class II

Changes over time 45.17 The designations of Assistant Secretary and Assistant incharge ceased to exist. Grades II and III were merged on the recommendations of the Second CPC. In 1962, the CSS was decentralised upto the level of Section Officer with a view to providing greater flexibility to its structure and ensuring effective control over the staff by the Ministry/Department concerned. Thus, under the decentralisation scheme, promotions, confirmations etc. upto the level of Section Officer are made cadre-wise by the respective cadre controlling authorities.

Effect of Zoning Scheme 45.18 Consequent upon the enforcement of this decentralisation scheme, certain disparities developed in the promotion prospects of CSS Officers in different Ministries/Departments. To minimise such disparities, the Zoning Scheme was introduced under which regular and long-term promotions are made by the local Cadre Controlling Authorities from amongst the officers who are within the range of seniority specified by the Department of Personnel and Training (DP&T) from time to time. If a person within the Zone is not available for promotion in a cadre, the vacancy is to be reported to the DP&T for being filled by persons from other cadres who could not be promoted in their own cadres for want of vacancies.

Grades in CSS 45.19 The CSS has at present four grades and the number of posts held by CSS Officers in each grade as on 1.7.1994 are as follows:-

	Grade	Classification	Pay Scale (Rs)	No. of posts
(a)	Selection Grade (Dy. Secretary)	Group 'A'	3700-5000	137
(b)	Grade I (Under Secretary)	Group 'A'	3000-4500	488
(c)	Section Officer Grade	Group 'B'	2000-3500	2,190
(d)	Assistant Grade	Group 'B'	1640-2900	4,789

R&P Rules 45.20 Recruitment and promotion to various grades are governed by the CSS Rules, 1962, supplemented by the CSS (Promotion to Grade I and Selection Grade) Regulations, 1964. The present mode of recruitment to various grades is spelt out below

- a) Assistant Grade: Recruitment to this grade is made to the extent of 50 per cent by direct recruitment through an open competitive examination and 50 per cent by promotion from among UDCs with a minimum of 5 years' service in that grade.
- b) Section Officers: (i) 20 per cent of the substantive vacancies in this grade are filled through the Civil Services Examination, held annually by the Union Public Service Commission, (ii) 40 per cent through the Limited Departmental Competitive Examination held for Assistants in which Stenographers Grade 'C' of Central Secretariat Stenographers' Service are also allowed to participate, (iii) 40 per cent by promotion from amongst Assistants with a minimum of 8 years of approved service.
- c) Under Secretary: Promotions to this grade are 100 per cent from out of Section Officers on the basis of selection, the eligibility condition being 8 years' approved service as Section Officer/Group 'A' of CSSS.
- d) Deputy Secretary: Promotion to this grade is made from amongst Under Secretaries having 5 years' service on the basis of seniority-cum-selection.

Duty posts of CSS 45.21 Under the Central Staffing Scheme, the posts of Under Secretary and above in the Central Secretariat are filled by drawing persons from different Services without any definite quota having been prescribed for any Service. The posts of Under Secretary and Deputy Secretary, held by CSS Officers, are treated as 'duty posts'. While the 'tenure rule' is applied to All India Services and Group 'A' Central Services, there is no tenure rule laid down for CSS Officers. In view of the nature of duties and responsibilities assigned to the levels of Under Secretary/Deputy Secretary and above, it has been considered necessary to have officers of different services to man these posts. Details of the number of posts at the levels of Under Secretary and Deputy Secretary held by various services from 1980 to 1995 are contained in Annexes 45.1 and 45.2 respectively.

Demands 45.22 Associations of CSS Officers have represented that: (a) Section Officers should be placed in the existing pay scale of Rs.2200-4000 with Group 'A' status, (b) the CSS should be constituted as a Group 'A' service with pre-determined number of posts at various levels, (c) Assistants should be placed in the pay scale of Rs.2000-3200, (d) all posts of Under Secretary, Deputy Secretary and certain percentages of posts at the level of Director and Joint Secretary may be reserved for the CSS, (e) disparity in promotion prospects of various services included in the Central Staffing Scheme should be removed and time-bound promotions ensured, (f) a Limited Departmental Competitive Examination may be introduced for promotion of Section Officers to the grade of Under Secretary, (g) promotion quota from Upper Division Clerks to Assistants should be raised from 50% to 75% and direct recruitment to Assistants grade may be suspended for 3 years, (h) the eligibility period for promotion to the grade of Section Officer may be reduced from 8 to 5 years, (i) the cadres of Upper Division Clerks, Assistants and Section Officers should be restructured in the ratio of 40:40:20, (j) the cadre at the level of Section Officer should be centralised so as to remove disparity in the matter of promotion of Assistants in various Ministries and to avoid loss of

seniority on transfer from one Ministry to another under the Zoning Scheme, (k) special pay should be granted when posted as Under Secretary, Deputy Secretary and Director, (l) Section Officers should be redesignated as Assistant Secretary to the Government of India, (m) CSS should be allowed representation on the Central Establishment Board, (n) there should be a compulsory training programme on the analogy of organised services and a fixed quota in various foreign training programmes, (o) direct recruitment at the level of Section Officer should be discontinued, (p) the practice of withholding of increment of direct recruit Assistants due to non-passing of typewriting test may be discontinued, (q) seniority of late entrants may be protected by ensuring that when juniors are considered for promotion on completion of eligibility service, seniors should also be considered, (r) deputation quota for CSS Officers should be raised from 10% to 20%, (s) the service conditions of CSS officers should be regulated by an Act of Parliament, (t) the rule providing for compulsory transfer on promotion should be repealed, (u) the placement of CSS Officers should be mandatory on empanelment, (v) the differential in the period of eligibility between direct recruit and promotee Assistants for appearing in Section Officers' grade examination may be removed, (w) Assistant Grade examination should be held by the Union Public Service Commission on the old pattern as the objective type test does not meet the functional requirement of the post, (x) a specific recommendation should be made for a higher start on promotion as Section Officer/Private Secretary to avoid litigation, (y) CSS Officers should be sent compulsorily on deputation to State Governments for at least three years to have first hand experience about the structure of governance, people's problems etc. They should be posted as Sub Divisional Officer/Assistant Collector, Development Officer etc., (z) 10% of vacancies in All India and Central Services should be reserved for being filled through a Limited Departmental Competitive Examination and Direct Recruit Section Officers should be made eligible for promotion to the Indian Administrative Service against a quota to be prescribed for the purpose.

Our recommendations 45.23 We have considered the suggestions and demands made by the associations and our recommendations are as under.

No Group 'A' status to this Force (a) These demands were considered by the Third and Fourth CPC as well as by the Bandopadhyay Committee.
(b) The Bandopadhyay Committee (November, 1992) came to the conclusion that the idea of elevation of Section Officers to Group 'A' status was untenable, unviable and functionally unsupportable. In regard to constitution of CSS as a Group 'A' service, the Committee had observed that functional specialisation at higher levels was the *raison d'être* for Group 'A' services like Income Tax, Audit and Accounts etc., whereas the CSS played only a role supportive of the senior administrative level in the policy making functions of the Central Secretariat besides running its establishment and administration. Performance of this role and assumption successfully of the responsibilities assigned to the members of the service justified their flexibility and ability to rise above the limitations of their conventional role but did not change the distinct nature of the core functions traditionally assigned to the service. Keeping in view the fact that the observations of the Bandopadhyay Committee are based on rational considerations, we are not

inclined to recommend placement of the Section Officers in the existing pay scale of Rs.2200-4000 with Group 'A' status or constitution of the CSS as a Group 'A' Service.

*No upgradation
for Assistants*

- (c) Considering the educational qualification, methods of recruitment, nature of duties and responsibilities, availability of avenues for career progression etc., we do not find any justification for placement of Assistants in the existing pay scale of Rs 2000-3200 and recommend the maintenance of the status quo.

*No reservation of
posts for any
service*

- (d) Keeping in view the fact that at present an overwhelming majority of posts at the level of Under Secretary and 36% of posts at the level of Deputy Secretary are being held by the CSS Officers as also the functional necessity of induction of other Services into the Central Secretariat, we do not recommend reservation of posts for any particular service.

ACP to give relief

- (e) Since CSS is not a Group 'A' Central Service, the promotion avenues available to Group 'A' Services cannot be extended to its members. Once CSS Officers become Under Secretaries, they can aspire for further progression through the imperatives of Central Staffing Scheme. The Assured Career Progression Scheme recommended by us will provide some relief to the members of the service.

*No LDCE for
U.S.*

- (f) Introduction of a Limited Departmental Competitive Examination (LDCE) for promotion to the grade of Under Secretary will reduce the availability of posts under promotion quota and will adversely affect the promotion prospects of promotee officers. Keeping in view the time being taken for promotion from Section Officer to Under Secretary, which ranges between 14 and 16 years, we are not in favour of introduction of an LDCE for promotion to the grade of Under Secretary.

*Raising the quo
promotion quota
to Assistants*

- (g) With a view to maintaining the quality and efficiency of the Secretariat Service, we do not recommend raising the promotion quota from 50% to 75% or to ban direct recruitment to the posts of Assistants even temporarily.

*Eligibility period
for promotion*

- (h) The eligibility period for promotion from Assistant to Section Officers' grade has been prescribed keeping in view certain relevant factors such as sufficiency of experience in the feeder grade to shoulder higher responsibility on promotion, number of posts in the promotion grade, actual time taken for promotion etc. We have been informed that against the residency period of 8 years, the actual time taken for promotion is 12 years (approximately). No useful purpose would be served by reducing the eligibility period to 5 years. Accordingly, we do not recommend any change in the existing provision.

<i>Restructuring cadres</i>	(i)	Upper Division Clerks belong to the Central Secretariat Clerical Service while Assistants and Section Officers belong to Central Secretariat Service. Restructuring cadres cutting across services is not possible. We are, therefore, unable to recommend acceptance of the suggestion.
<i>Centralisation of CSS</i>	(j)	Having due regard to the fact that the Department of Personnel and Training is already fixing the zone for promotion and handling work relating to recruitment at the level of Section Officer, preparation of a common seniority list of Section Officers for promotion to the grade of Under Secretary, we recommend that the CSS cadre may be centralised and computerised so that the existing disparities in the promotion prospects of CSS Officers in different Ministries are removed and the seniority of those who move out because of non-availability of vacancies in their own cadre to other cadres is also protected.
<i>Special pay to CSS Officers</i>	(k)	The officers of All India and other Central Services are posted to the Central Secretariat on tenure basis and they are not paid deputation allowance. The special pay granted to such officers is in lieu of deputation allowance. In the case of CSS Officers, besides their being no dislocation, their posting is treated as a cadre appointment. In view of these distinguishable features, we do not recommend the grant of special pay to CSS Officers on their appointment as US, DS and Director.
<i>SOs to be Assistant Secretaries</i>	(l)	Functions/duties attached to a post is one of the basic considerations which goes into the nomenclature of a post. The designation Assistant Secretary would be a misnomer in the case of Section Officers as the appellation Secretary connotes some authority to take decisions, authentication of orders on behalf of President whereas no such powers are envisaged for them in the present scheme of things. We are, therefore, unable to recommend the restoration of designation of Assistant Secretary to the Section Officers which was abolished with the introduction of re-organisation and re-inforcement scheme for the CSS in the year 1948.
<i>Representation on CEB</i>	(m)	The Central Establishment Board (CEB) is a Committee of Secretaries and there being no CSS Officer at the level of Secretary or Additional Secretary, we are unable to recommend the representation of the CSS on the CEB.
<i>Training</i>	(n)	With a view to ensuring that the CSS Officers are not found wanting in the discharge of their duties for lack of knowledge of the latest developments taking place around the world, we would recommend that they should be given suitable exposure to foreign training programmes. They may also be made eligible for the training programmes organised by the Training Division of Department of Personnel and Training.

for various services and officers appointed to the Central Secretariat

*Direct
recruitment*

- (t) The Central Secretariat has undergone radical and qualitative changes and the tasks performed by it have become more complex, varied and function- specific. Members of CSS have revealed their potentialities for being able to perform much larger and complex tasks and have acquitted themselves as creditably as members of other services. It would, therefore, be desirable to induct fresh blood at the level of Section Officer and we accordingly recommend that direct recruitment in the grade of Section Officer may continue, as at present.

*Abolition of
typewriting test*

- (p) We have been informed that at present, the second and subsequent increments are withheld for a period of 5 years or till an Assistant passes the typewriting test or attains the age of 45 years, whichever is earlier. The withheld increments are restored on reaching the 7th incremental stage. With the introduction of computers and their increasing usage by the Central Ministries/Departments, we are of the view that an Assistant may be given an option to attain proficiency either in typewriting or in computers and may be required to undergo such training and pass such tests as may be prescribed by the Department of Personnel and Training for release of increments. We do not find any justification either for abolition of the typewriting test or for reducing the minimum speed of 30 words per minute or the number of increments which may be withheld for not qualifying in the typewriting test and recommend accordingly.

*Seniors and
Juniors*

- (q) We recommend that the general guidelines issued by the Department of Personnel and Training which provide for consideration of seniors when juniors are considered for promotion on completion of eligibility service, provided the shortfall in service of seniors is not more than one year, may be followed in the case of CSS Officers also.

*Increase in
deputation quota*

- (r) As any increase in the quota from the existing 10% will have the effect of increasing the strength of the cadre, which is contrary to our general approach to reduce the size of the government machinery, we do not recommend any increase in the deputation quota and would like the status quo to be maintained.

Act of Parliament

- (s) The CSS Rules have been framed under the proviso to Article 309 of the Constitution and have been in force since 1962. The other organised services similar to CSS are also governed by the rules issued under proviso to Article 309 of the Constitution. No problems have been experienced by the Government in the absence of an Act of Parliament. We accordingly recommend the maintenance of the status quo.

Transfer policy

- (t) It appears to us that the existing provision has been made in the rules to provide greater exposure to CSS Officers so that they can discharge their assigned duties effectively. Movement from one Ministry to another provides opportunities for interaction and enables acquisition of knowledge on matters which are dealt with by the new Ministry. With a view to ensuring that the varied experience acquired by the CSS officers is available to all the Ministries/Departments, we recommend that a comprehensive transfer policy may be framed for transfer of CSS Officers from one Ministry to another. Such transfers should, however, not be linked with promotion as the compulsory shift at the time of promotion further delays the already delayed promotion. CSS officers up to the level of Under Secretary may be considered for transfer from one Ministry to another after 10 years of service in a particular Ministry/Department.

Mandatory postings

- (u) The Government has recently decided that not less than 25% of posts of Deputy Secretary in each Ministry/Department should be filled by CSS Officers and appointment to such posts should be made mandatory; i.e., on assignment basis by the Establishment Officer with the approval of Civil Services Board. It has also been decided by the Government that CSS officers included in the Directors suitability list may be considered for mandatory posting after their names are circulated for one year with effect from the date of approval of the list by the Appointments Committee of Cabinet (ACC) or on receipt of ACC approval to the subsequent suitability list, whichever is later. A suitable provision has also been made in respect of officers who could not be appointed as Joint Secretary during circulation of their names. They will also be considered for mandatory postings if they have been empanelled for 3 years or more or they have got only two years' service for superannuation. In view of the remedial measures taken by the Government, we do not propose to make any further recommendation in this regard.

Experience qualifications

- (v) We recommend that the disparity in regard to years of service after which direct recruit and promotee Assistants can appear in the Limited Departmental Competitive Examination may be removed.

Pattern of examination

- (w) We have been informed that the Assistant's Grade Examination is conducted in two stages. The first stage is an objective type test, whereas in the second stage, features of a descriptive examination have been retained. We, therefore, do not recommend any change in the existing pattern of examination conducted by the Staff Selection Commission.

Fixation of pay

- (x) The Government has informed us that in the absence of a specific recommendation from the Fourth CPC, the benefit of fixation of pay at two incremental stages higher than the minimum pay of the pay scale on promotion of Assistant and Stenographer Grade

C' to the grade of Section Officer/Private Secretary was withdrawn and subsequently restored in implementation of an award of Board of Arbitration. Keeping in view the above facts, we recommend that the existing practice should continue

Field postings (y) We are of the view that the effectiveness of CSS officers can be definitely improved if they are given field postings in the states where they would get an opportunity for learning on the job. This will be an improvement over the scheme of field training. We, therefore, recommend that training posts should be earmarked in the States for CSS officers and the Department of Personnel and Training should evolve a scheme of field training involving independent postings to various posts in States for a period of three years.

Promotions to IAS (z) We do not find any merit in the suggestion to reserve 10% of vacancies in the All India and other Central Services to be filled through a Limited Departmental Competitive Examination. Similarly, there is no merit in the suggestion that the Direct Recruit Section Officers should be made eligible for promotion to the Indian Administrative Service as the promotion of officials to the Indian Administrative Service Cadre against a quota reserved for the purpose is made from among those belonging to the feeder State Civil Service and Direct Recruit Section Officers do not belong to any feeder State Civil Service. We, do not therefore, recommend acceptance of the demands.

Other demands 45.24 The other suggestions made relate to (i) stopping participation of Stenographers Grade 'C' in the Section Officers' Grade Examination and discontinuance of lateral entry of Private Secretaries to the grade of Under Secretary, (ii) timely release of select lists/panels for promotion of CSS officers at the level of Under Secretary, Deputy Secretary, Director etc. and clearance of the backlog, (iii) upgradation of posts of Desk Officer to the level of Under Secretary on account of their performing the statutory duty of authentication of Government Orders and shouldering higher responsibilities.

45.25 We have given our careful consideration to the suggestions which are discussed below:

Lateral entry of CSSS into CSS (i) We have taken note of series of measures taken by the Government to improve the promotion prospects of Central Secretariat Stenographers' Service officers such as (a) participation in the Section Officers' grade examination, (b) raising of level of stenographic assistance to Directors at the level of Private Secretary instead of Stenographer Grade 'C' leading to upgradation of several posts to the level of Private Secretary, (c) restructuring of cadre in the ratio of 40:40:20, (d) merger of Grades 'A' and 'B', (e) suspension of direct recruitment to Grade 'C' against vacancies of select list of 1993 and 1994, resultant vacancies being filled through seniority and departmental examination quota in the ratio of 50:50, (f) introduction of grade

of PPS which is equivalent to Under Secretary, etc. As a result of the remedial measures taken by the Government, the average time taken for promotion to Grade 'C' has come down from 17 to 13 years, from Grade 'C' to the grade of PS from 13 years to 10 years and from PS to PPS grade, the average time taken is 13 years. As against the above promotion prospects of CSSS officers, the average time taken for promotion from UDC to Assistant is 10 years, from Assistant to SO 12 years and from Section Officer to Under Secretary 16 years. Having due regard to the fact that there is acute stagnation in the CSS at the level of SO and US for promotion to the grade of US and DS as also the improved promotion prospects of CSSS officers in their own line, we feel that a review of the existing provisions in terms of which CSSS officers are allowed lateral entry into CSS is overdue. After analysing the situation in the proper perspective, we have made suitable recommendations on this issue under the heading Central Secretariat Stenographers' Service.

Delay in panels

- (ii) We would recommend that delays of more than three months in the issue of panels, reckoned from the date on which panel is expected to be released every year, should be avoided. We would further urge upon the Government to make the position up to date in a time-bound manner by bringing out the panels of previous years.

- (iii) Keeping in view the advantages arising out of desk pattern of functioning as against the conventional section, we recommend that the Desk Officer pattern be expanded to a greater extent, by converting as many sections as possible. To begin with, 25% of the sanctioned posts of Section officer may be converted into Desk Officer and placed in the newly created pay scale of Rs.2500-4000. With a view to ensuring successful functioning of the Desk Officer system, we recommend that a desk should be manned by two officers who could either be two Desk Officers, one Desk Officer and one Under Secretary or two Under Secretaries, who should be provided with independent Stenographers and a common desk attache at the level of Assistant. Other supporting staff, as considered necessary, may also be provided. At a later stage, when the Executive Assistant system comes into force, two Executive Assistants for each Desk would probably suffice.

45 26 It was brought to our notice that Section Officers were reluctant to accept a posting as Desk Officer because of the meagre amount of special pay of Rs.150 which was payable on appointment as Desk Officer (DO) with the result that posts of DO remained unfilled. To overcome this problem and to attract competent SOs to man the posts of DO, we have recommended a new pay scale of Rs.2500-4000 which, we feel, is commensurate with the nature of duties performed.

and responsibilities shouldered by DOs. We also received a number of representations from associations representing CSS officers registering their protest against the proposed introduction of an intermediary pay scale between SO and US and expressing apprehensions about their promotion prospects to the grade of US and above. We would like to clarify that the fears expressed by CSS officers are based on their lack of appreciation of the efforts made by the Commission to relieve stagnation afflicting their cadre. According to the memorandum submitted by CSS Direct Recruit Assistants' Association, it takes approximately 12-13 years for an Assistant to become a Section Officer. We have also taken note of the fact that SOs included in the Select List of 1980 have been promoted as US towards the end of 1996. It is thus clear that a direct recruit Assistant remains in the pay scale of SO for 27-28 years of his service, unless he becomes SO earlier through LDCE in which case he remains in the pay scale of SO upto 21 or 22 years of his service.

45.27 Taking note of the fact that SOs take about 16 years to become USs, we thought of providing some relief to this important level of functionaries. We have recommended in para 45.25(iii) above conversion of 25% of posts of SO into DO in the pay scale of Rs.2500-4000. SOs being at the cutting edge in the Central Secretariat and keeping in view their career aspirations, we further recommend that SOs in the CSS, AFHQ Civil Service, Railway Board Secretariat Service and IFS(B) shall be eligible for second financial upgradation in the pay scale of Rs.2500-4000 under the Assured Career Progression Scheme on completion of 5 years' service in the grade of SO as a special dispensation. We also recommend that there shall be no residency period in the pay scale of Rs.2500-4000 for their eligibility for promotion to the grade of Under Secretary on functional basis. For functional promotion to the grade of US, the service rendered as SO or combined service as SO and DO shall be reckoned as at present. As regards progression of CSS officers to the level of Deputy Secretary, the information contained in Annexe 45.2 reveals that on an average 36% of the posts of DS have been held by CSS Officers during the last 16 years. Keeping this trend in view, we do not see any justification in CSS Officers entertaining the fear that they would not be given their due share of posts at the level of DS and above.

45.28 A dispassionate comparison of the position given in the preceding two paragraphs would reveal that as against the existing position of an Assistant entering the grade of SO in the 12th or 13th year of his service, he would now be in the next pay scale of Rs.2500-4000 in the 14th year under the special dispensation accorded to CSS Officers in consideration of the important role played by them in the Central Secretariat. This by no means can be described as reduction in their promotion avenues as we have not suggested any changes whatsoever in the existing conditions regulating the grant of promotion on functional consideration.

REFERENCE MADE BY DOP&T AND OTHERS

45.29 The Department of Personnel and Training have referred to us for our consideration the demands raised in the JCM fora relating to revision of pay scale of (a) Grade II of CSCS (LDCs), (b) Assistants of CSS and Private Secretaries of CSSS. Before a formal disagreement could be recorded paving the way for referring the above demands to the Board of Arbitration, the Fifth CPC

was constituted and as per decision of the Government such issues raised in the JCM fora on which formal disagreement had not been recorded, have been referred to the Commission. Some of the Section Officers had also filed a petition before Principal Bench of the CAT seeking removal of the anomalies which had arisen in the pay scale of Section Officers consequent on revision of the pay scale of Assistant. A contempt petition was also filed by the petitioner SOs before the CAT which was finally dropped on informing the court by the Government that it had decided to place the matter before the Fifth CPC. These petitioners have also urged upon us to remove the anomaly by revising the pay scale of Section Officers.

*No opening of
past cases*

45.30 The Commission would invite the attention of the Government to its demi-official communication No 50/4/94-PC(Coord) dated 17.1.1996 addressed to all the Secretaries and Heads of Departments clarifying that the Fifth CPC had no intention of re-opening past cases or in making any recommendation with respect to rectification of anomalies with retrospective effect and that all our recommendations will have prospective effect from our recommended date only. The Administrative Ministries were requested to settle the past cases at their level and clarify to the concerned judicial authorities the restriction on the scope of jurisdiction of the Commission whenever such matters came up for hearing. In this view of the matter, it would not be desirable for us to make any recommendations for removal of anomalies which have occurred in the past and grant new pay scales retrospectively. Such matters may be decided by the Government itself.

CENTRAL SECRETARIAT STENOGRAPHERS' SERVICE

*Historical
background*

45.31 The Central Secretariat Stenographers' Service (CSSS) is one of the three Central Secretariat Services. The Service was constituted in 1951 to man the posts of Stenographer in the Central Secretariat and attached offices. The cadre structure of the service has undergone changes as a result of the recommendations of the Pay Commissions and other cadre review bodies.

*Reorganisation
1969*

45.32 The CSSS was reorganised with effect from 1st August, 1969. The rules as amended on implementation of the recommendations of the Third Pay Commission provided for four grades of Stenographers in the Central Secretariat namely 'A', 'B', 'C' and 'D'. The total strength of the service was about 5,800. In 1962, the CSSS was decentralised with a view to providing greater flexibility to its structure and ensuring effective control over the staff by the Ministry/Department concerned. Under the decentralisation scheme, promotions, confirmation, etc. are made cadre-wise by the respective cadre controlling authorities. Consequent upon the enforcement of the decentralisation scheme, certain disparities had developed in the promotion prospects of CSSS officers in different Ministries/Departments. To minimise such disparities, the zoning scheme was introduced under which regular and long-term promotions are made by the local cadre controlling authorities from amongst the officers who are within the range of seniority specified by the Department of Personnel and Training from time to time. If a person within the zone is not available for promotion in a cadre, the vacancy is to be reported to the DOPPT for being filled by persons from other cadres who could not get promotions in their own cadre for want of vacancies.

Merger of Grades 'A' & 'B' 45.33 Grades 'A' and 'B' of the CSSS were merged on the recommendations of the Fourth CPC. With a view to providing further satisfactory promotion avenues for the members of the CSSS, the posts of Private Secretary to Secretaries to Government of India and equivalent officers were upgraded and placed in the pay scale of Rs.3000-4500

Further improvements 45.34 For improving the promotion prospects of Stenographers in CSSS, posts in grades 'D', 'C' and 'A&B' (merged) were pooled together and their strength was refixed in November, 1993 in the ratio of 40:40:20 in each grade of the service. The existing norms laying down the entitlement of officers to stenographic assistance consequently stood relaxed to the extent required. The restructuring of the service resulted in upgradation of about 355 posts from Grade 'D' to Grade 'C' and 281 posts from Grade 'C' to Grade 'A' & 'B' (merged).

Present position 45.35 Recruitment and promotion to various grades are governed by the CSSS Rules, 1969, supplemented by the Central Secretariat Stenographers' Service (Private Secretary Grade) Rules, 1989 for promotion to the grade of Principal Private Secretary. The position regarding number of grades in the CSSS, their classification, number of posts in each grade and the existing pay scales is indicated in the following Table:-

Table as on 1.7.1994

Grade	Classification	No. of posts	Pay Scale (Rs.)
Principal Private Secretary	Group A	93	3000-4500
Private Secretary (Gazetted)	Group B	1367	2000-3500
Stenographer Gr. 'C' (Non-Gazetted)	Group B	2704	1640-2900
Stenographer Gr 'D'	Group C	2689	1200-2040

Demands 45.36 Associations representing Stenographers in the Central Secretariat Stenographers' Service (CSSS), Railway Board Stenographers' Service (RBSS), Armed Forces Head Quarters Stenographers' Service (AFHQSS), and Indian Foreign Service (Grade 'B') Stenographers' Service (IFS(B)SS) in their written and oral submissions before the Commission complained of acute stagnation in their respective services and made several suggestions for improvement of their promotions prospects. The main suggestions made are that: (a) they should be given at least three time-bound promotions on completion of 9, 18 and 27 years of service on the analogy of such promotions having been introduced by many of the State Governments such as Rajasthan, Gujarat, West Bengal etc. (b) Principal Private Secretaries (PPSs) should be promoted to the grade of Deputy Secretary

and above, (c) Additional Secretaries should be provided stenographic assistance at the level of PPS instead of PS, (d) the entitlement of officers to their personal staff should be enhanced, (e) lateral entry of Stenographers to the Central Secretariat Service at the level of Section Officer, Desk Officer, Under Secretary, Deputy Secretary etc. should be allowed, (f) Promotion quota in the grade of Private Secretary may be raised from 50 to 75%, unfilled vacancies of Private Secretary pertaining to examination quota should be diverted to promotion quota by amending the CSSS Rules, (g) the ratio for recruitment to Stenographer Grade 'C' should be changed to 25:25:50 for direct recruitment, departmental examination and seniority quotas respectively, (h) the post of Principal Private Secretary should be filled on seniority-cum-fitness basis to avoid supersession of Private Secretaries, (i) 50% of the vacancies in the grade of PPS may be filled on the basis of a departmental examination to be introduced for the purpose, and (j) the posts of Private Secretary/Additional Private Secretary to Ministers, Members of Planning Commission etc. may be included in the CSSS.

*Our
recommendations*

45.37 We have given our most sympathetic consideration to the several suggestions made on behalf of Stenographers by their respective associations and have analysed their promotion prospects with reference to their counterparts in offices outside the Secretariat and other comparable services. We have been informed by the Government of a series of measures taken for improvement of promotion prospects of Stenographers at different levels. These measures have been listed elsewhere in this Chapter under the heading "Central Secretariat Service". Our analysis reveals that Stenographers in the Secretariat are at a more advantageous position, as far as time taken for promotion from one grade to another is concerned, when compared to their counterparts in the subordinate offices and almost at the same position with other comparable services in the Secretariat. While we recognise the need that each service should have reasonable opportunities for career progression, at the same time we are of the firm view that the promotion prospects of a particular service cannot be improved at the expense of another service. We have also noted the observations of the Third CPC that the experience gained by good Private Secretaries should continue to be utilised in the line in which such experience had been gained instead of the senior and experienced CSSS officers branching out into a somewhat different line at this level. Pursuing the policy and principles enunciated by our predecessors to provide adequate opportunities for career progression in their own line, we make the following recommendations to further improve the promotion prospects of Stenographers at different levels in the Secretariat:

*PPS to Additional
Secretaries*

- (i) At present there are only 93 posts of Principal Private Secretary as against 1367 posts of Private Secretary and the average time taken for promotion from Private Secretary to Principal Private Secretary is around 13 years. We recommend that officers holding posts of Additional Secretary or equivalent rank may be provided stenographic assistance at the level of Principal Private Secretary. As per information furnished by the Department of Personnel and Training, this would need upgradation of 65 posts of Private Secretary to the level of Principal Private Secretary in the CSSS. We recommend upgradation of 65 posts of Private Secretary to the level of Principal Private Secretary. This would raise the total number of posts of PPS to 158.

Senior PS

- (ii) Availability of 158 promotion posts of PPS against 1302 posts in the feeder grade of Private Secretary appears to be inadequate. With a view to ensuring that Private Secretaries have almost the same promotion avenues as are available to members of other comparable services, we recommend that 25% of posts of Private Secretary may be placed in the pay scale of Rs.2500-4000. Such of the Private Secretaries who are placed in this pay scale should be known as Senior Private Secretaries.

Senior PPS

- (iii) At present Principal Private Secretaries do not have any promotion avenues. With a view to ensuring their continued availability to the senior functionaries and meeting their career aspirations, we recommend that of the 158 posts of Principal Private Secretary, 58 posts (approximately 37% of Principal Private Secretaries) may be placed/operated in the pay scale of Rs.3700-5000. Such of those Principal Private Secretaries as are placed in this grade may be designated as Senior Principal Private Secretaries and their placement in this grade should be made strictly on the basis of selection.

*Lateral entry to
CSS*

- (iv) With the acceptance of our above recommendations coupled with Assured Career Progression Scheme which would be equally applicable to CSSS Officers, their promotion prospects would improve considerably in their own line. This calls for a review of the existing practice of lateral entry of CSSS officers to the level of Section Officer and Under Secretary. We have noted that after 1986, promotions to the grade of Under Secretary are being made on ad hoc basis because of seniority dispute between direct recruit and promotee Section Officers and as a result thereof no Private Secretary has been promoted as Under Secretary. It has also been reported by the Government that as on 1.7.94, only 17 Private Secretaries were working as Under Secretaries. On the other hand, CSS Section Officers are also facing acute stagnation and the actual time taken for promotion to the grade of Under Secretary has risen to 16 years as against the provision of 8 years in the recruitment rules. Keeping in view the insignificant number of Private Secretaries who are working as Under Secretaries and the stagnation afflicting CSS, we recommend that lateral entry of Private Secretaries to the grade of Under Secretary should be discontinued. As regards entry of Stenographers Grade 'C' at the level of Section Officer, recognising that merit should be encouraged, we recommend that only those Grade 'C' Stenographers who are graduates should be allowed to participate in the departmental examination for the Section Officer's grade. Once a Stenographer becomes a Section Officer on the basis of LDCE, he can avail himself of the promotion prospects available to CSS Officers. As the CSSS officers would have promotion opportunities up to the pay scale of Rs.3700-5000, we recommend that for direct recruitment

at the level of Stenographer Grade 'C', the educational qualification should be raised to graduation.

Second ACP

- (v) In regard to second financial upgradation under the Assured Career Progression Scheme, the CSSS Officers shall be entitled to the same concessions as extended to CSS officers in para 45.27 as a special dispensation

Further upgradation

- (vi) The upgradation of posts as a result of our above recommendations would be a one-time measure and we recommend that further upgradations in future should be made in consultation with Internal Finance.

Application to other services

45.38 Since the Railway Board Stenographers' Service, Armed Forces Head Quarters Stenographers' Service and Indian Foreign Service (Grade 'B') Stenographers' Service are structured on the lines of Central Secretarial Stenographers' Service, we recommend that the benefits of our recommendations made in sub paras (i) to (vi) above should be extended to members of these services

Entitlement to staff

45.39 As regards entitlement of officers to their personal staff, it is a common knowledge that the number of personal staff working with senior officers of and above the rank of Joint Secretary is generally more than their entitlement. Such additional staff are diverted from other officers whose work naturally suffers. With a view to formalising the existing practice and providing reasonable personal staff to senior officers of and above the rank of Joint Secretary, their existing entitlement would require modification. The upward revision of entitlement should not lead to creation of new posts but it may be managed by redeployment of the existing manpower which is found to be surplus on implementation of the recommendations of the Commission on optimising the size of the government machinery. The purpose of revising the entitlement of senior officers is to provide transparency in the system and to relieve the administration of the problem of manipulation. We recommend that the entitlement of officers to personal staff may be revised as under:-

Post	Present entitlement	Proposed entitlement
Secretary	PPS-1 PA -1	PPS-1 PA -1 Steno Gr. 'D' - 1 or LDC
Additional Secretary	PS-1 PA-1	Same as above
Joint Secretary	PS-1 Steno Gr. 'D' - 1 or LDC	PS-1

<i>Variations possible</i>	45.40	We would like to clarify that the scale of entitlement of officers to their personal staff as recommended by us in the preceding paragraph is not expected to be the same for each and every officer holding the above posts but the actual deployment would vary according to the normal workload and functional requirements of the job which should preferably be assessed from time to time.
<i>Promotees's examinees</i>	45.41	With a view to providing equal opportunities to both the promotees and examinees and maintaining the stature of service and quality of stenographic assistance at the level of Private Secretary who are posted with senior functionaries, we do not recommend any change in the existing ratio of 50:50 for promotion and departmental examination quota at the level of Private Secretary. Similarly, we are not in favour of diverting the unfilled vacancies of Private Secretaries pertaining to examination quota to the promotion quota, as such a step would distort the structure of the service thereby affecting its quality.
<i>Seniority quota</i>	45.42	The proposal of the associations implies raising the seniority quota from the existing 25% to 50% and reduction in the direct recruitment quota from 50% to 25%. Having regard to the fact that Stenographers Grade 'C' would now be able to aspire for promotion avenues up to the pay scale of Rs.3700-5000, we are not inclined to agree to the suggestion and would recommend for maintaining the status quo.
<i>Promotion through selection</i>	45.43	Having regard to the fact that Principal Private Secretaries are attached with highest functionaries in the Ministries, it is only appropriate that only those officers who can provide effective assistance to the top executives in the transaction of Government business are promoted as PPS. We, therefore, recommend that the existing practice of promotion through selection should continue.
<i>LDCE at PPS level</i>	45.44	Introduction of a Limited Departmental Competitive Examination for Private Secretaries, for promotion to the grade of Principal Private Secretary, would increase the waiting period for promotion to the grade of Principal Private Secretary. In view of limited number of posts at the level of Principal Private Secretary, we do not recommend the introduction of a departmental examination at this level.
<i>P.S. to Ministers</i>	45.45	With a view to providing flexibility to Ministers and Members of the Planning Commission to appoint a Private Secretary/Additional Private Secretary of their own choice, we are not inclined to recommend any change in the existing practice.
<i>Other demands</i>	45.46	The other demands made by the associations representing Stenographers are that: (a) the nomenclature of the Central Secretariat Stenographers' Service should be changed to Central Secretariat Executive Secretaries Service and the new nomenclature should be applicable to similarly structured services, (b) the existing designations should be changed to Principal Executive Officer/Principal Executive Secretary, Executive Officer/Executive Secretary, Executive Assistant and Junior Executive Assistant in place of existing Principal Private Secretary, Private Secretary, Stenographer Grade 'C' and 'D'.

respectively, (c) different ACR forms should be prescribed for the four grades, (d) Central Secretariat Stenographers' Service officers should be nominated to various administrative training courses at par with personnel in equivalent grades, (e) special allowance at the rate of Rs.300, Rs.400, Rs.500 and Rs.600 per month should be sanctioned to Stenographers Grade 'D', 'C', 'A' and 'B' (merged) and Principal Private Secretary respectively for attending office beyond normal working hours and on Saturdays, Sundays and other gazetted holidays, (f) Private Secretaries should be granted special pay of Rs.400 per month on the same basis on which it is paid in the Prime Minister's Office/Cabinet Secretariat, (g) Stenographers who work on Computers/Personal Computers and other modern gadgets should be granted special pay; and (h) different charter of duties should be prescribed for the four grades of CSSS

45.47 We have considered the suggestions which are discussed below.

- Name of service* (a) We have been informed by Government that this suggestion was considered by a Committee of the departmental council of Department of Personnel and Training which found no functional justification for changing the nomenclature of the service. Accordingly, we do not recommend any change in the existing nomenclature of the service.
- Designations* (b) With a view to ensuring that the designations of stenographers at different levels are such that they have a nexus with the nature of work expected/performed and do not lead to confusion, we recommend the following designations for stenographers at different levels:-

Existing	Proposed
New grade proposed	Senior Principal Private Secretary (Senior PPS)
Principal Private Secretary	Principal Private Secretary (PPS)
New grade proposed	Senior Private Secretary (Senior PS)
Private Secretary	Private Secretary (PS)
Stenographer Grade 'C'	Personal Assistant (PA)
Stenographer Grade 'D'	Stenographer

- ACR Forms* (c) The Government has informed that the ACR forms of different grades in the CSSS have been revised on 19.10.1993 after

discussion with the staff side. In this view of the matter, we do not propose to make any further recommendation on the subject.

Duties

- (d) With a view to enabling the CSSS Officers to perform multifarious duties, we recommend that their training courses should be specifically tailored to multi-skilling with considerable emphasis on the operation of computers.

OTA

- (e) While the non gazetted officers are granted overtime allowance for performing duties beyond office hours, others are compensated by way of honorarium and reimbursement of conveyance charges. In view of this, we do not find any justification to recommend grant of extra duty allowance.

Special Pay

- (f) Special pay has been granted to the Private Secretaries in the Prime Minister's Office/Cabinet Secretariat in consideration of these offices occupying a unique position, which is not the case with other offices. In this view of the matter and having regard to the financial implications involved in the acceptance of the suggestion, we do not recommend grant of special pay to the Private Secretaries.

- (g) Having regard to the fact that modern gadgets such as Computers, Personal Computers, Fax Machines, Photo Copiers have facilitated the job of Stenographers to a great extent and cause less fatigue as compared to working on conventional machines, we do not find any justification for grant of special pay for working on modern gadgets.

Duties to be included

- (h) With the restructuring of CSSS in the ratio of 40:40:20, the existing norms laying down the entitlement of officers to stenographic assistance have already been relaxed which implies that Stenographers Grades 'D', 'C', 'A' and 'B' (merged) can be deployed with any officer irrespective of his entitlement. The Assured Career Progression Scheme, recommended by us elsewhere, envisages operation of posts on floating basis i.e. the same person, unless he has been promoted to the next post on functional basis, shall be placed in the next scale of pay on completion of a specified period of service subject to his being found fit by the Departmental Promotion Committee. The Stenographer so deployed with an officer can be of any grade and he may be the only person to assist the officer. With a view to ensuring that the services of Stenographers are available effectively and full flexibility is provided to make use of their services in the best possible manner, we recommend that the following duties may be included in the Office Memorandum of Department of Personnel and Training dated 12.4.1988:-
- (i) Supervision of staff wherever admissible in the personal section of the officer to ensure punctuality, courteousness, neatness and discipline.

- (ii) Proper maintenance, upkeep and custody of all house keeping items and equipment like computers, photocopiers, typewriters, telephone instruments, FAX machines etc. in the personal section/with the officer.
- (iii) Maintenance of confidentiality of papers routed through the personal section.

We recommend that the scope of duties may be widened further by suitably incorporating the sentence "To assist the officer in the manner desired by him/her". We also recommend that, as far as possible, members of CSSS should be posted with officers who are entitled to them wherever the scale of assistance has been prescribed

CENTRAL SECRETARIAT CLERICAL SERVICE

Historical background

45 48 The Central Secretariat Clerical Service (CSCS) is one of the three organised Services included in the Central Secretariat Services Scheme. The Service was constituted along with the CSS during the year 1951 but its Rules were framed later and came into force on November 1, 1962. The CSCS has only two grades, namely the upper division grade and the lower division grade. The strength of the two grades as on 1.7.1994 and the scales prescribed for each are as follows:-

Grade	Scale of Pay	No. of posts
Grade I (Upper Division Clerks)	Rs.1200-2040	5,381
Grade II (Lower Division Clerks)	Rs.950-1500	5,615

45 49 Recruitment to the CSCS at the level of Grade II used to be made through an All India Competitive Examination in respect of 90% of the vacancies with the provision for filling the remaining vacancies on the basis of a competitive examination limited to suitable Class IV personnel who were Matriculates and had more than 5 years service.

45 50 Vacancies in Grade I of the CSCS used to be filled generally by promotion of Lower Division Clerks in Grade II subject to rejection of the unfit. The provision for filling 50% of the vacancies in Grade I through a Departmental Examination limited to the LDCs was not invoked till December 1969 when the first examination was held.

Increase in promotion quota

45 51 The CSCS Rules were amended in 1990 to provide for filling 5% of the vacancies earmarked for Group 'D' employees through a qualifying examination and the remaining 5% on seniority-cum-fitness basis. A demand of the Staff Side in the Departmental Council (JCM) for reducing the qualifying service for appearing in the examination from 5 to 3 years and increasing the promotion quota from 10% to 20% was referred to the Committee of Ministers. It

recommended that the quota may be raised from 10 to 15% subject to certain conditions. Since the conditions were not acceptable to the Staff Side, the status quo was maintained. Subsequently, however, the Staff Side agreed to the recommendations of the group of Ministers in April 1991. Orders raising the promotion quota were issued in August 1992.

<i>Restructuring of CSCS</i>	45.52	The cadre of CSCS was restructured in the ratio of 60:40 i.e. 60 LDCs and 40 UDCs in 1978-79. This ratio was further revised to 50:50 w.e.f. April, 1994.
<i>Method of recruitment of LDCs</i>	45.53	At present recruitment to 85% of the vacancies in the grade of LDC is made through an all India competitive examination. The remaining vacancies are filled through a Limited Departmental Qualifying Examination to the extent of 10% and on seniority-cum-fitness basis to the extent of 5% from among educationally qualified Group 'D' employees.
<i>Method of recruitment of UDCs</i>	45.54	Vacancies in the grade of Upper Division Clerks are filled 75% by promotion on seniority-cum-fitness basis from among LDCs with 8 years service and 25% by Limited Departmental Competitive Examination in which LDCs with 5 years service are eligible to appear.
<i>Demands</i>	45.55	The main demands made by the associations representing members of Central Secretariat Clerical Service are (a) that the UDCs should be placed in the pay scale of Rs.1400-2600 on the ground that consequent on revision of pay scale of Assistants, the gap between the pay scales of UDCs and Assistants has increased, (b) that the posts of UDC should be merged with those of Assistants because there is no difference between the work done by Assistants and UDCs in the Central Secretariat, (c) that an Assistant Grade Limited Departmental Competitive Examination may be introduced for the UDCs for promotion to the grade of Assistant on the analogy of LDCE for Grade 'D' Stenographers for promotion to grade 'C' of CSSS, (d) that UDCs with 12 years' combined service in the grade of LDC and UDC may be allowed to compete in the LDCE for Section Officers along with Assistants and Stenographers Grade 'C', (e) that the condition of 50 years up to which an LDC can appear in the departmental examination for the UDC grade may be removed and that (f) the eligibility condition of 5 years' qualifying service in the grade of LDC for appearing in the departmental examination for UDC grade may be reduced to 3 years.
	45.56	We have considered the suggestions and our recommendations are as under -
<i>Revision of pay scale of UDCs</i>	(a)	Consequent upon revision of pay scale of Assistants and Stenographers Grade 'C' of CSSS, there has been no change either in the duties and responsibilities entrusted to the UDCs or in the mode of recruitment or prescription of higher educational qualification etc. We, therefore, do not find any justification for revision of pay scale of UDCs to Rs.1400-2600 as this pay scale was fixed by the Fourth CPC taking into account all the relevant factors. We recommend that UDCs should be given the replacement scale only.

*Merger of UDCs
with Assistants*

- (b) UDCs and Assistants belong to two distinct services. Minimum educational qualification for both the cadres are also not the same. While it is graduation for direct recruitment to the cadre of Assistants, UDC is a promotion post for LDCs for whom minimum qualification is Matriculation or equivalent. In view of the distinguishable features and having regard to the existing arrangements under which UDCs are entrusted with duties of a lesser order as compared to the Assistants, we are unable to agree with the contention of the UDCs that there is no difference between the work done by them and the Assistants. Accordingly, we do not recommend merger of UDCs with Assistants

*LDCE for
Assistants Grade*

- (c) In the CSSS, Recruitment to the grade of Stenographer Grade 'C' is made 50% by direct recruitment, 25% by seniority and 25% by LDCE from the grade of Stenographer Grade 'D', whereas in the Assistants grade recruitment is made 50% by open competition and 50% by promotion of UDCs. With a view to providing an opportunity to the meritorious UDCs who are in the same pay scale as Steno Grade 'D', we recommend that an LDCE may be introduced and UDCs with three years' regular service may be allowed to compete for promotion to the grade of Assistant. We further recommend that in future recruitment to the grade of Assistant may be made 50% by open competition, 25% by Limited Departmental Competitive Examination to be conducted by the SSC and 25% by promotion of UDCs

*Promotion of
LDCs to SO*

- (d) Having regard to the nature of duties and responsibilities expected of a Section Officer, it is doubtful if an LDC or UDC with a few years of service will be able to shoulder the duties and responsibilities expected of a Section Officer without working in the grade of Assistant. We do not find any merit in the suggestion and recommend rejection of the suggestion.

*Age for
departmental
examination*

- (e) The age of entry for recruitment to the grade of LDC is 18 years. Educationally qualified Group 'D' employees are also allowed to appear in the departmental examination for the grade of LDC after 5 years of service. Assuming the age of entry as 20 years, an LDC at the age of 25 and a group 'D' employee at the age of 30+ would have sufficient number of chances to appear in the examination before they attain the age of 50 years. If they fail to become UDC up to the age of 50 years through examination, it is doubtful that they would succeed in an examination beyond the age of 50 years. We are not convinced of the need to relax the condition of 50 years up to which an LDC can appear in the departmental examination and, therefore, recommend for maintaining the status quo

*Definition of
approved service*

- (f) The definition of approved service as given in the CSSS Rules has been recently modified, according to which approved service will be reckoned from a notional date, namely, 1st July of the year

following the year of the examination on the basis of which they were recruited or 1st July of the year for which LDCs were appointed through promotion. Thus the actual length of service after which the LDCs will become eligible for taking the departmental examination would be less than 5 years. For promotion quota a minimum of 8 years' service in the grade of LDC is required for promotion to the grade of UDC. Having regard to the fact that the length of service required for appearing in the departmental examination is already lower than the service required for promotion on seniority basis, and that the approved service is counted from a notional date and the requirements of the promotion post, there is no justification to reduce the period further from 5 to 3 years and we recommend accordingly.



सत्यमेव जयते

POSTS OF UNDER SECRETARY HELD BY VARIOUS SERVICES

Year	<u>I.A.S.</u>		<u>C.S.S.</u>		<u>OTHER SERVICES</u>		TOTAL NO.
	No	%	No.	%	No.	%	
1.1.80	79	11.1	481	67.7	151	21.2	711
1.1.81	70	8.3	585	69.1	192	22.7	847
1.1.82	67	7.9	592	69.5	193	22.7	852
1.1.83	64	7.6	582	68.8	200	23.6	846
1.1.84	62	6.7	653	70.9	206	22.4	921
1.1.85	67	6.9	670	69.0	234	24.1	971
1.1.86	65	6.1	755	71.2	241	22.7	1061
1.1.87	57	6.1	666	70.9	216	23.0	939
1.1.88	41	4.3	680	71.5	230	24.2	951
1.1.89	33	4.1	582	72.0	193	23.9	803
1.1.90	27	3.8	489	69.5	188	26.7	704
1.1.91	28	4.4	445	69.3	169	26.3	642
1.1.92	29	4.6	459	72.3	147	23.1	635
1.7.93	22	3.7	467	80.0	98	16.7	587
1.7.94	14	2.6	488	89.9	41	07.6	543
1.3.95	10	2.0	468	93.4	23	04.6	501
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AVERAGE	5.4		73.4		21.0		

- Source: (1) Figures up to 1.1.1992 based on Report of Bandyopadhyay Committee (November, 1992)
- (2) Figures for the years 1993, 1994 and 1995 as reported by Department of Personnel and Training.

POSTS OF DEPUTY SECRETARY HELD BY VARIOUS SERVICES

Year	<u>I.A.S.</u>		<u>C.S.S.</u>		<u>OTHER SERVICES</u>		TOTAL NO.
	No.	%	No.	%	No.	%	
1180	199	37.6	177	33.5	153	28.9	529
1181	171	35.4	168	34.8	144	29.8	483
1182	168	33.1	192	37.9	147	29.0	507
1183	160	28.4	234	41.6	169	30.0	563
1184	156	28.3	217	39.3	179	32.4	552
1185	155	28.5	198	36.9	185	34.5	536
1186	169	31.3	188	34.8	183	33.9	540
1187	187	31.8	202	34.4	199	33.8	588
1188	186	33.1	195	34.7	181	32.2	562
1189	182	37.2	184	37.6	123	25.2	489
1190	179	34.6	179	24.6	160	30.9	518
1191	173	33.0	109	36.2	162	30.9	525
1192	171	34.5	175	35.3	150	30.2	496
1793	149	36.2	149	36.2	114	27.7	412
1794	135	33.2	137	33.7	135	33.2	407
13.95	130	31.9	144	35.3	134	32.8	408
<hr/>							
AVERAGE	33.0		36.1		31.0		

- Source: (1) Figures up to 1.1.1992 based on Report of Bandyopadhyay Committee (November, 1992)
- (2) Figures for the years 1993, 1994 and 1995 as reported by Department of Personnel and Training

Office Staff in Non Secretariat Organisations

Introduction to non-Secretariat Organisations

46.1 The subordinate offices of different Ministries in Government of India and some of the attached offices do not participate in the organised services of the Central Secretariat viz. CSCS, CSSS, and CSS. Thus the organisational structure of ministerial posts differs from organisation to organisation, depending off the cadre strength and functional requirements of these organisations. This chapter only relates to such offices.

LDCs/UDCs

46.2 There is a total of 19,481 of posts of Lower Division Clerk (LDC) and 15,253 posts of Upper Division Clerks (UDC) in these organisations. LDCs are recruited through an all India competitive examination, held by the Staff Selection Commission. Railways and the Departments of Posts and Telecommunications are an exception, as they have devised their own methods of recruitment. The posts of UDC are filled 100% by promotion of LDCs in most organisations. Certain departments like the Central Board of Direct Taxes, Central Board of Excise and Customs and Accounts Departments are however an exception, as direct recruitment to 50% of the posts is made with a higher qualification of graduation and the remaining 50% posts are filled by promotion. This position is at variance with the Central Secretariat Clerical Service, where no direct recruitment is made at the UDC level, but 25 per cent of the posts are filled through a limited departmental competitive examination held every year by the Staff Selection Commission, in which LDCs with 5 years regular service are eligible to appear.

Staff strength details

46.3 Following is the staff strength in various grades of staff above the level of Upper Division clerks

	Group Pay Scale (Rs.)	Asstts. Head Clerks	Supdt. Administrative Officer	Total
A	3000-4500	-	-	100
A	2200-4000	-	-	5,917
B	2000-3500} 2375-3500}	-	4,850	698
B	2000-3200	-	-	273
B/C	1640-2900	-	610	-
C	2000-3200	-	3,126	-
C	1600-2660	-	6	4,935
C	1400-2600	795	8	108
C	1400-2300	832	20,223	1,284
C	1350-2200	-	130	-
Total		1,627	20,367	14,913
			6,988	43,895

*Assistants/
Head Clerks*

46.4 Ministerial posts next above the level of UDCs are known by different designations - Assistant, Head Clerk, Office Superintendent level II etc. and placed either in the pay scale of Rs. 1400-2300 or Rs. 1400-2600. Different designations and pay scales have been adopted by different departments as per their functional requirements. The designations of Head Clerk and Office Superintendent level II suggest that they may be supervisory posts but we have been informed that the nature of duties and responsibilities of these employees are generally non-supervisory in nature and even if some supervisory duties are assigned, these are of a very routine type.

Superintendents

46.5 The majority of supervisory posts with designation as Office Superintendent Level I/Office Superintendent (4,935) are in the pay scale of Rs. 1600-2660 and only a small number of them (610) are in the pay scale of Rs. 1640-2900. These posts are filled by promotion from amongst Head Clerks/Assistants with 5 years of regular service in the grade. These are supervisory posts at the lowest level in subordinate offices and they supervise the work of Clerks and Assistants working under them. An equally large number of Superintendents are also in the pay scales of Rs. 2000-3200 (3,126 posts), Rs. 2000-3500/Rs. 2375-3500 (4850 posts). Superintendents can, therefore, be divided into two broad categories : one in the pay scales of

Rs. 1600-2660/Rs. 1640-2900 and other in the pay scales of Rs. 2000-3200 and Rs. 2000-3500/Rs. 2375-3500. Superintendents in the latter category are promotion posts for the superintendents in the former category. Some offices have ministerial posts in both the scales of Rs. 2000-3200 and Rs. 2000-3500. Superintendents in some organisations are also designated as Assistant Accounts Officer and Accounts Officer.

Administrative Officers

46.6 There is a lot of variation in designations and pay scales of Administrative officers in non-secretariat organisations and majority of them (5,917) are in the scale of Rs. 2200-4000, while their number in the pay scale of Rs. 2000-3500/2375-3500 and Rs. 2000-3200 is 698 and 273 respectively. Different departments have adopted different designations of Superintendent, Assistant Administrative Officer, and Administrative officer for these posts and sometimes a different designation is used for the same pay scale in different departments. Some departments also have the posts of Senior Administrative Officer and Chief Administrative Officer in the pay scales of Rs. 3000-4500 and Rs. 3700-5000 respectively. In some organisations, designations of Dy. Director, Director (Admin) and Personnel Officer etc. are also used. These posts are generally filled on deputation basis due to non-availability of eligible personnel from the feeder categories in the organisation.

ISSUES RELATING TO PAY SCALES

Parity with Secretariat Pay Scales and cadre structure

46.7 Complete parity has been demanded between the pay scales of clerical staff in the Central Secretariat and subordinate offices. In some cases, it has been asserted that field jobs entail more rigorous working conditions, whereas secretariat staff enjoy better amenities without any accountability, and thus a claim for higher pay scales in the subordinate offices has been made. A number of administrative ministries have recommended parity on the ground of responsibilities, transfer liability and interaction with public. In case of assistants of organisations like Enforcement Directorate, CBI, Central Passport Organisation etc., various benches of Central Administrative Tribunal have given judgments granting parity with the pay scale of Assistants in CSS.

46.8 There is already a complete parity in the scales of pay of LDCs and UDCs in the Secretariat and Non-Secretariat Organisations. The reason for this parity is understandable as the nature of the job of these two categories of posts is similar in both the set-ups. They are required to perform routine duties of a clerical nature, including typing.

46.9 In the case of Assistants in the Secretariat, the position is entirely different. Assistants in the Secretariat have always been given a special status as they have been holders of Group 'B' posts. They have always had a higher pay scale as compared to Assistants in Non-Secretariat Organisations, even though the difference was limited to a higher maximum. There has been a significant element (50%) of direct recruitment with the higher educational qualification of graduation in the case of Assistants in the Secretariat, as compared to their counterparts in subordinate offices, who are promoted from the post of UDCs for which the prescribed minimum qualification is matric only. Assistants in Secretariat perform more complex duties inasmuch as they are involved in analysing issues which have policy implications in comparison to their counterparts

in subordinate offices, where the nature of work is confined to routine matters related to establishment, personnel and general administration only. Assistants in the secretariat also submit cases directly to the decisionmaking level of Under Secretary/Deputy Secretary, under the scheme of level jumping. Taking all these factors into consideration, we are of the definite view that the pay scale of Assistants in the Non-Secretariat organisations should slightly be lower as compared to the pay scale of Assistants in the Secretariat. Assistants in subordinate offices may therefore, be placed in the pay scale of Rs.1600-2660.

*Head Clerk/
Supervisor*

46.10 The posts of Head Clerk (Rs. 1400-2300) and Office Superintendent Level II (Rs.1400-2300/ Rs.1400-2600) also exist in all the Non-Secretariat organisations. It is felt that none of these posts has any supervisory functions with the name. It will, be appropriate if the two grades are merged with the cadre of Assistants. Their pay scales and designations will also be modified accordingly

46.11 The posts of Office Superintendent Level I (Rs.1600-2660) or Office Superintendent in the pay scale of Rs.1600-2660/Rs.1640-2900 are supervisory posts in the real sense. The incumbents of these posts supervise the work of Assistants, Head Clerks and other clerical staff in the Offices. They should, therefore, be designated uniformly as Office Superintendent and placed in the pay scale of Rs.1640-2900.

*Cadre of
Ministerial
posts*

46.12 To sum the discussion so far, the cadre of ministerial posts in Non-Secretariat organisations should be organised in the following manner:-

LDC	- Rs. 950-1500
UDC	- Rs.1200-2040
Assistant	- Rs.1600-2660
Office Superintendent	- Rs.1640-2900

*Administrative
Officer*

46.13 The hierarchy above the level of Office Superintendents comprises Assistant Administrative Officers and Administrative Officers. A small number of them are in the pay scale of Rs. 2000-3200, but the majority are in the pay scales of Rs. 2000-3500 / Rs. 2375-3500 and Rs.2200-4000. A good number of Superintendents are also in the pay scale of Rs.2000-3200. Due to the general decision to merge the pay scale of Rs. 2000-3200 with the pay scale of Rs. 2000-3500, the Office Superintendents in the pay scale of Rs. 2000-3200 and Assistant Administrative Officers in the same pay scale or in the higher pay scale of Rs. 2000-3500 will need to be treated equally. The post of Administrative Officers in these organisations may, therefore, be reorganised/ redesignated in the following manner:-

Sl. No.	Present Designation/ Pay Scale	Revised Designation/ Pay Scale
1.	Supdt/Asstt. Administrative Officer (Rs.2000-3200) (Rs.2000-3500)	Administrative Officer Gr.III (Rs.2000-3500)
2.	Administrative Officer (Rs.2375-3500)	Administrative Officer Gr.II (Rs.2500-4000)
3.	Administrative Officer (Rs.2200-4000)	Administrative Officer Grade-I (Rs.2200-4000)
4.	Sr.Administrative Officer (Rs.3000-4500)	Sr.Administrative Officer (Rs.3000-4500)

In offices having posts in both the pay scales of Rs.2000-3500 and Rs.2000-3200, the former being promotion grade for the latter, the pay scale of higher post shall be revised to Rs.2500-4000, if the functional considerations so dictate. Otherwise, both the grades can be merged in the pay scale of Rs. 2000-3500.

ISSUES OTHER THAN PAY SCALES

Parity in method of recruitment

46.14 In spite of complete parity in the pay scales of LDCs/UDCs, variations exist in the methods of recruitment at the level of UDC. Demands have been made for introducing a fast track of promotion. In a number of organisations, departmental examinations are held for promotion from LDC to UDC grade. In order to bring uniformity in different organisations and parity with CSCS, a limited departmental competitive examination for promotion to UDCs needs to be introduced. The examination should be based on the pattern of the examination conducted by Staff Selection Commission for CSCS.

46.15 At the level of Assistant in the CSS, 50% of the posts are filled by direct recruitment and the remaining by promotion. In the case of Non-Secretariat organisations, similar component of direct recruitment cannot be introduced as in a large number of small organisations, there are no senior level posts beyond the scale of Rs.2000-3500. Direct recruitment at Assistant level without having enough promotion opportunities will be detrimental to the cause of efficiency and will become a major cause of frustration. As such, all the posts of Assistants should continue to be filled by promotion in Non-Secretariat Organisations. However, with a view to improving efficiency, at least 25% of the posts of Assistant may be filled through a Limited Departmental Competitive

Examination and all graduate UDCs with 5 years' regular service should be eligible to appear in this examination, leaving 75% of the posts of Assistants to be filled on seniority-cum-fitness basis.

*Entry
Qualification
for LDC*

46.16 A demand has been made to raise the entry qualification for appointment to the post of LDC and to debar those over qualified for appointment as LDC. The matric system of education has since been replaced by Secondary (10th standard) and Senior Secondary (10+2 standard) throughout the country. A Secondary pass is considered to be equivalent to matric. In the context of improving the productivity of Government organisations, it is recommended that initial recruitment at the level of LDCs should be made with a Senior Secondary (10+2) qualification. The existing incumbents of posts of LDC may possess only matric qualification. They should, however not suffer any disadvantage in their promotion to higher grades.

*Special pay to
UDCs*

46.17 In subordinate offices having no clerical grade above the level of UDCs, special pay is granted to 10% of the UDCs at the rate of Rs.70 p.m. A demand has been made to enhance this amount and to remove the anomaly caused in fixation of pay, when a junior UDC in receipt of special pay is promoted and his pay is fixed at a higher stage than a senior. We have separately recommended, as a general policy, that special pay should not be given unless these are absolutely essential. In the present case, since 10% of the UDCs are involved in complex duties, it is recommended that 10% posts of UDC in such organisations be upgraded to the level of Assistant. This will also remove the anomaly that arise in fixation of pay.

*Ratio between
LDC and UDC*

46.18 The ratio between UDC and LDC has been fixed as 1:1 in case of Central Secretariat Clerical Service. No such ratio has been fixed in case of subordinate offices. We have been informed that generally the ratio between UDC and LDC in case of subordinate offices is 4:6. We feel that fixation of a ratio between posts of LDC and UDC in subordinate offices may not be feasible on functional grounds. However, in order to relieve stagnation in the cadre of LDCs to some extent in offices having a large number of clerks, the administrative ministries may take action to upgrade some posts of LDCs to UDCs based on functional requirements. Stagnation shall be partly taken care of under the Assured Career Progression Scheme.

*Promotion to
EDP posts*

46.19 A demand has been made for promotion of UDCs and LDCs to Electronic Data Processing (EDP) posts. Computerisation is the call of the day as part of modernisation and automation. The existing ministerial staff at different levels should be trained in computers. LDCs trained in computer can therefore, be considered for promotion to Data Entry posts, as it will open one more channel of promotion to LDCs. However, in case of UDCs, such induction to EDP posts should not be encouraged, as it will result in stagnation in the EDP cadre.

SPECIFIC DEMANDS OF DIFFERENT DEPARTMENTS

*Song & Drama
Division of
Ministry of I&B*

46.20 Superintendents in Song & Drama Division of Ministry of Information and Broadcasting have urged that their pay scale should be upgraded to Rs. 2000-3200, identical to that of Managers as before implementation of Fourth CPC pay scales, they both were in the identical scale of Rs. 550-900. We

recommend that Superintendents of Song & Drama Division be placed in the revised scale recommended by us for replacement of the scale of Rs.1640-2900.

All India Radio

46.21 Administrative Officers of All India Radio who are in the pay scale of Rs. 2000-3200 shall be placed in the revised replacement scale of Rs. 2000-3500 as part of our general recommendations for rationalisation of pay scales. As per our general recommendations in this Chapter, the post should also be redesignated as Administrative Officer Grade III. However, we have been informed about the Cadre Review Committee's recommendation that there should be at least one post each of Administrative Officer and Dy. Director (Admn) at every station of AIR/Doordarshan. A final decision on the recommendations of the Cadre Review Committee should be expedited based on functional requirements. Posts created, if any, should be designated as per our recommendations.

Central Passport Organisation

46.22 Superintendents in Central Passport Organisation who are in the existing pay scale of Rs.1640-2900 have urged for upgradation of their pay scales as they are holding group B gazetted posts. We have recommended abolition of gazetted status in the relevant chapter and, therefore, recommend that these Superintendents be given only replacement scale recommended by us for Rs.1640-2900.

Organisations under Ministry of Defence

46.23 Various organisations under the Ministry of Defence have complained of acute stagnation in the ministerial cadres. They have suggested that the ratio between supervisor and clerical staff, which at present varies from 1:16 to 1:22, should be brought down to 1:8 so that more posts of Superintendent are created, opening better promotional avenues. We are of the opinion that a uniform ratio of supervisor to clerical staff cannot be recommended for all organisations. Such a ratio can only be determined on the basis of a comprehensive cadre review and work study of organisations.

Central Reserve Police Force

46.24 In the year 1981, all civilian ministerial posts in CRPF were combatised, and civilian employees were given the option to switch over to the combatised cadre. Some of these personnel did not opt for uniformed cadre which has now resulted in their getting lower pay scales as compared to those who opted. These employees, who are about 96 in number, have requested that they be given one more chance to opt for the combatised cadres, as their juniors, who had then opted for combatised cadre, are placed in higher pay scales. We recommend that one more chance should be given to these civilian employees to opt for combatised cadre provided they are willing to abide by all conditions of training and consequential responsibilities.

CBDT/CBEC

46.25 UDCs in CBEC and CBDT have the option to shift to the executive side by appointment as Inspector (Rs.1640-2900) on qualifying a departmental examination or else they are promoted to Office Superintendent level II or Head Clerk (Rs.1400-2300). In the latter case, they can aspire to go up to Office Superintendent (Rs.2000-3200), whereas in the former case, they can rise higher. As such UDCs in these departments are reluctant to accept promotions in the ministerial cadre. Both the departments have stated that due to this reason, a large number of posts remain vacant in the ministerial cadre and have sought for remedial measures.

46.26 In order to overcome such difficulties in individual cadres, we recommend that an exercise in restructuring the cadre of ministerial posts in different subordinate offices be undertaken by each Ministry, on the basis of general recommendations given by us in this Chapter. We have also analysed the cadre strength in some of the subordinate offices and recommend a revised cadre structure as given in Annexe 46.1. This is without prejudice to the revisions that may be found justified after a proper cadre review.

STENOGRAPHERS OUTSIDE THE SECRETARIAT

*Historical
background*

46.27 Historically, there have been differences in the pay scales of stenographers outside the secretariat and their counterparts in the Central Secretariat Stenographers' Service (CSSS). The Second CPC had recommended three standard scales for stenographers outside the secretariat which had proliferated to 17 at the time of constitution of the Third CPC. The Third CPC observed that the number of pay scales for an occupational group like stenographers was much larger than necessary and brought down the number of pay scales by following a uniform approach. The then existing category of Stenotypists was converted to stenographers subject to their qualifying in the prescribed speed test. It developed a nexus between stenographers at the lowest level and the Upper Division Clerks (UDCs). It also recommended the grant of one and two advance increments for those stenographers who qualified in the proficiency test in stenography at higher speeds of 100 and 120 words per minute respectively.

Third CPC

46.28 Considering the differences in the hierarchical structures and in the type of work transacted in the secretariat and in the subordinate offices, the Commission was not in favour of adopting a uniform pattern. It felt that there would be a greater internal harmony if the stenographers at the second level and the Head Clerks were to be given the same scales of pay (Rs.425-700). It also recommended a selection grade of Rs.550-750 for stenographers at the second level, for the purpose of relieving stagnation.

Fourth CPC

46.29 At the time of constitution of the Fourth CPC, there were about 41,000 stenographers in the three scales of pay of Rs.330-560 (Grade III), Rs.425-700 (Grade II), and Rs.550-900 (Grade I). The Fourth CPC took note of the fact that posts of stenographer were linked with the status of the officers concerned and that the number of officers in subordinate offices being small, there was stagnation in the cadre of stenographers. Recognising the need for improvement in the promotion prospects of stenographers in offices outside the secretariat and to enable their being attached to officers holding posts in the senior administrative grade and equivalent, it recommended creation of posts in the pay scale of Rs.2000-3200 by suitably upgrading the required number of posts of stenographers from the lower grades. It recommended the replacement scale of Rs.1200-2040 for stenographer Grade III and Rs.1400-2300 for stenographers Grade II.

*Award of the
Board of*

46.30 On a demand made by the staff side in the National Council of JCM seeking parity in the pay scales of stenographers in the secretariat and subordinate

Arbitration

offices, the matter was referred to the Board of Arbitration (BOA). The BOA while rejecting the demand for absolute parity directed that stenographers Grade II in subordinate offices should be placed in the pay scale of Rs. 1400-2600 w.e.f. 1.1.1986. The Award was implemented and orders were issued on 4.5.1990.

CAT decision

46.31 The pay scale of Assistants in the Central Secretariat Service (CSS) and Stenographers in the CSSS was revised by the Government on 31.7.1990, effective from 1.1.1986. Some of the Assistants/Crime Assistants and Stenographers Grade II working in the CBI, Directorate General of Income Tax (Investigation), and Directorate of Field Publicity filed a number of petitions before the Principal Bench of the Central Administrative Tribunal seeking benefit of the orders dated 31.7.1990. Rejecting the contention of the Union of India that Stenographers Grade II and Assistants in the non-secretariat offices could not be compared with Stenographers Grade 'C' of CSSS and Assistants of CSS because of different classification, method of recruitment, nature of duties and responsibilities and eligibility for promotion to higher grade, the CAT directed the Union of India to place the petitioners in the pay scale of Rs. 1640-2900. The judgement of the CAT has been implemented.

Present position

46.32 The comparative position of stenographers in the secretariat and offices outside the secretariat as it existed at the time of constitution of the Fifth CPC is as under:-

Secretariat		Non-Secretariat	
a)	Stenographer Grade 'D' (Rs.1200-2040)	a)	Stenographer Grade III (Rs.1200-2040)
b)	Stenographer Grade 'C' (Rs.1640-2900)	b)	Stenographer Grade II (Rs.1400-2300/ Rs.1400-2600/ Rs.1640-2900)
c)	Stenographers Grades 'A' and 'B' (Merged) (Rs.2000-3500)	c)	Stenographer Grade I (Rs.1640-2900)
d)	Principal Private Secretary (Rs.3000-4500)	d)	Senior Personal Assistant (Rs.2000-3200)
		e)	Private Secretary (Rs.2000-3500)
		f)	Principal Private Secretary (Rs.3000-4500)

Demands

46.33 Associations representing stenographers have urged before us that there should be complete parity between stenographers in non-secretariat offices

and in the secretariat in matters relating to (a) pay scales, (b) designations, (c) cadre structure, (d) promotion avenues, (e) level of stenographic assistance to officers in technical, scientific and research organisations, etc. Suggestions have also been made for a higher pay scale for stenographers in the entry grade, treating advance increments granted for acquiring proficiency in stenography at higher speed as pay, allowing stenographers in non-secretariat offices to compete in the Limited Departmental Competitive Examination (LDCE), and grant of Special Pay for operating computers, fax machines, etc.

Pay scales and designations

46.34 We have given our careful consideration to the suggestions made by Associations representing stenographers in offices outside the Secretariat in the light of observations made by the Third CPC. The Commission had observed that as a general statement, it was correct to say that the basic nature of a stenographer's work remained by and large the same whether he was working with an officer in the secretariat or with an officer in a subordinate office. The Commission was of the considered view that the size of the stenographer's job was very much dependent upon the nature of work entrusted to that officer and that it would not be correct, therefore, to go merely by the status in disregard of the functional requirement. By the very nature of work in the secretariat, the volume of dictation and typing work was expected to be heavier than in a subordinate office; the requirement of secrecy even in civil offices of the secretariat could be very stringent. Considering the differences in the hierarchical structures and in the type of work transacted in the secretariat and in the subordinate offices, the Commission was not in favour of adopting a uniform pattern in respect of matters listed in the preceding paragraph. To our mind, the observations of the Third CPC are as relevant today as they were at that point of time and we are not inclined to overlook them totally. In view of the above mentioned distinguishable features, we do not concede the demand for absolute parity in regard to pay scales between stenographers in offices outside the secretariat and in the secretariat notwithstanding the fact that some petitioner stenographers Grade II have got the benefit of parity in pay scale through courts. However, pursuing the policy enunciated by the Second CPC that disparity in the pay scale prescribed for stenographers in the secretariat and the non-secretariat organisations should be reduced as far as possible, we are of the view that Stenographers Grade II should be placed in the existing pay scale of Rs.1600-2660 instead of Rs.1400-2300/Rs.1400-2600. The next available grade of stenographers in non-secretariat offices is Rs.1640-2900 (Grade I). We do not recommend any change in the existing pay scale of Stenographers Grade I. Senior Personal Assistants and Private Secretaries are at present in the pay scale of Rs.2000-3200 and Rs.2000-3500 respectively. Giving the Senior PAs the benefit of rationalisation of pay scales, we recommend that both Senior PAs and Private Secretaries should be placed in the pay scale of Rs.2000-3500 and known as Private Secretaries. Stenographers in the newly recommended grade of Rs.2500-4000 should be known as Senior Private Secretaries and those in the pay scale of Rs.3000-4500 shall continue to be known as Principal Private Secretaries.

Restructuring of Cadre

46.35 Since stenographers in the non-secretariat offices do not form an organised common cadre, their promotion prospects vary from organisation to organisation. The availability of higher grades in the cadre of stenographers is linked to the grades of officers to whom they are attached. Such a linkage has been dispensed with in the case of stenographers in the secretariat with the restructuring of their cadre in the ratio of 40:40:20. We are of the view that stenographers in the

offices outside the secretariat deserve to be provided some relief and we accordingly recommend that the existing posts of stenographers in the pay scales of Rs.1200-2040, Rs.1400-2300/Rs.1400-2600 and Rs.1640-2900 should be pooled together and restructured in the ratio of 40:40:20 by individual departments wherever feasible. For smaller offices, there could be pooling of posts for this purpose only.

Introduction of new grade

46.36 We have noted with concern the acute stagnation prevalent in the cadre of stenographers in offices outside the secretariat, particularly in small offices where there are posts only in the entry grade. The Assured Career Progression Scheme recommended by us elsewhere would ensure at least two upgradations in the career of a stenographer. Even in big offices which are headed by officers in the grade of Joint Secretary and Additional Secretary to the Government of India, the highest grade available to stenographers is limited to Rs.2000-3200/Rs.2000-3500. With a view to meeting the aspirations of stenographers in such big offices, we are of the view that the level of stenographic assistance to officers in the existing pay scale of Rs.7300 and above may be raised by upgradation of the equivalent number of posts of Senior Personal Assistants/Private Secretaries to the newly created pay scale of Rs.2500-4000.

Level and scale of stenographic assistance

46.37 Having due regard to the difference in the volume of dictation and typing work, hierarchical structure, type of work transacted in secretariat and non-secretariat offices, it will not be worthwhile to aim for parity in respect of scale and level of stenographic assistance between officers in the Central Secretariat and non-secretariat offices. As regards level of stenographic assistance to officers of technical, scientific and research organisations, we are of the view that mere scale of pay of such officers cannot be the criterion for provision of stenographic assistance. The level of stenographic assistance to such officers has to be linked with quantum of work load, to be determined by the Staff Inspection Unit/Internal Work Study Unit. We feel that the existing guidelines relating to provision of stenographic assistance to officers of technical, scientific and research organisations are based on rational consideration and we, therefore, recommend that the existing practice of provision of stenographic assistance based on the quantum of workload may continue.

Pay scale at entry grade

46.38 Keeping in view the educational qualifications required for recruitment to the grade of Stenographer Grade III, we are of the view that the replacement scale of Rs.1200-2040 would be an adequate remuneration for Stenographers Grade III and we recommend accordingly.

Special allowance for higher proficiency

46.39 While considering the demand for treating the advance increments granted for acquiring higher proficiency in stenography as part of pay, we have noted that the advance increments are granted as an incentive to encourage employees to improve their skill and it is only appropriate that the incentive granted is kept as a separate element. We, however, recommend that with a view to making the position clear to the recipients of such advance increments, the nomenclature 'advance increments' may be replaced by 'special allowance' for acquiring higher skill in stenography.

Eligibility in LDC

46.40 Inclusion of Stenographers Grade III in the eligibility list for competing in the Limited Departmental Competitive Examination which is open

to stenographers belonging to CSSS would widen the field of eligibility which would adversely affect the promotion prospects of CSSS personnel. We are of the firm view that the promotion prospects of a particular service cannot be improved at the expense of another service. Since we have already recommended restructuring of the cadre of stenographers, wherever feasible, in the ratio of 40:40:20, introduction of a new grade of Rs.2500-4000 and Assured Career Progression Scheme, we feel that the promotion prospects of stenographers outside the secretariat would improve considerably. However, with a view to improving the quality of stenographic assistance, we recommend that to begin with, 25% of the posts of Stenographer Grade II may be filled by direct recruitment of graduates and the percentage of direct recruitment may be gradually raised to 50%, in the next five years.

*Special pay for
handling
computers, etc.*

46.41 With the introduction of modern office gadgets, the job of stenographers has been made easier and less wearisome than working on conventional machines. In view of the fact that Government spends large sums on acquisition of such modern gadgets for the facility of stenographers and provides necessary training for their operation, no special pay is justified. Handling of office gadgets should be treated as part of the duty of the employees. We do not find any merit in the demand and recommend its rejection.

*Promotion
avenues for Hindi
Stenographers*

46.42 It has been urged before us that the discrimination in promotion avenues between English and Hindi Stenographers in All India Radio and Doordarshan may be removed.

46.43 We have considered the demand in the light of information furnished by the nodal ministry. We have been informed that against the 21 posts of Hindi Stenographer Grade III, there are 15 posts in Grade II and 4 posts of Reporter in the pay scale of Rs.2000-3500. These 4 posts of Reporter (Monitoring-Hindi) have been created specifically to provide for promotion avenues to Hindi Stenographers Grade III. Provision of 15 posts in Grade II and 4 posts of Group 'B' are considered to be more than adequate avenues of promotion for a base of 21 Hindi Stenographers Grade III. With the introduction of Assured Career Progression Scheme, the promotion prospects of Hindi stenographers would further improve. In this view of the matter, we are unable to recommend any further remedial measures.

ISSUES PECULIAR TO INDIVIDUAL DEPARTMENTS

*Ordnance
Factories
Organisation/
Defence Research
and Development
Organisation*

46.44 Stenographers in subordinate offices under the Ministry of Defence have suggested that Senior PAs working in such offices should be classified as Group 'B' (Gazetted), stenographers working in Defence Research and Development Organisations (DRDO) should be given parity in grade structure and pay scales with their counterparts in other scientific and technical departments like Bhabha Atomic Research Centre, Department of Science & Technology, Department of Space, etc. Senior PAs in DRDO should be considered for promotion to the post of Senior AO-II in the pay scale of Rs.2200-4000 with further avenues of promotion in the hierarchy of Administration/ Personnel Officers and pay scale of Rs. 1400-2600 be granted to Stenographers Grade III with enhancement of qualification to graduation and proficiency in stenography at the rate of 100 w.p.m.

46.45 We have considered the demands and suggestions carefully. Since the Commission has recommended doing away with the existing concept of classification of posts with further distinction of gazetted and non-gazetted; the demand for reclassification of senior PAs has become infructuous. Since the stenographers belong to a common category, we have recommended application of common pay scales, designations, etc. for this occupational group. With the rationalisation of pay scales, Senior PAs would now be placed in the pay scale of Rs.2000-3500. If they are still retained as one of the feeder categories by the DRDO for promotion to the grade of Senior AO-II, they would automatically move to that grade. We do not propose to make any special recommendation for Senior PAs in DRDO in view of the fact that their chances of promotion in their own line would be increased substantially with the introduction of a new pay scale of Rs.2500-4000 and Assured Career Progression Scheme. As regards grant of pay scale of Rs.1400-2600 to Stenographers Grade III, with enhancement of qualification, we have been informed that there is acute shortage of stenographers at the lowest level even with the existing qualification of matriculation with shorthand speed of 80 w.p.m. If both the educational qualification and speed in shorthand are raised, it would lead to further shortages. Keeping in view the practical difficulties, we do not recommend raising of the educational qualification notwithstanding the desirability of having persons in Government with higher qualification. Stenographers in DRDO being a common category may be given the pay scales as recommended by us for the common category.

*Counting of Rank
Pay for
entitlement*

46.46 It has been suggested that the rank pay of Service Officers should be considered as a part of the basic pay for determining their entitlement to stenographic assistance. It has also been suggested that there should be 25% of the posts of PPS in the Directorate General of Ordnance Factories against 50 posts of PS.

46.47 The scale of stenographic assistance is determined with reference to the pay scales of the officers and not with reference to the basic pay or rank pay drawn by him/her. We do not find any merit in the demand and recommend its rejection. As regards creation of posts of PPS, there is a functional nexus between the posts of PPS and the officers who are entitled to stenographic assistance at the level of PPS. We do not consider it desirable to increase the number of posts of PPS on a non-functional basis. We have, however, noted that there are 8 officers in the pay scale of Rs.7300-7600 and 9 officers in the pay scale of Rs.7300-8000. In view of our earlier recommendation for provision of stenographic assistance at the level of Senior Private Secretary in the newly created pay scale of Rs.2500-4000 to officers in the pay scale of Rs.7300 and above, we recommend that of the existing 50 posts in the pay scale of Rs.2000-3500, 17 posts may be upgraded in the pay scale of Rs.2500-4000. This would enable 1/3rd of the existing incumbents to move to the higher grade of Rs.2500-4000.

*AFHQ
Stenographers
Service*

46.48 Stenographers Grade 'C' of AFHQ Stenographers Service have represented that they should be allowed to compete in the Combined Limited Departmental Competitive Examination which may be introduced along with Assistants for promotion to the grade of Assistant Civilian Staff Officer (Section Officer) because such a facility is available to Stenographers Grade 'C' in the CSSS. A common seniority roster for ACSOs and Private Secretaries for promotion to the grade of CSO (Under Secretary) on the lines of CSS has also been

suggested.

Improvements in the cadre

46.49 We have considered the suggestions sympathetically. We have been informed by the nodal Ministry that the demand raised by AFHQ Stenographers' Service has been conceded and action is being taken by the office of CAO to amend the recruitment rules. Since the AFHQ Stenographers Service is structured on the lines of CSSS, the improvements suggested in the case of CSSS would equally apply to AFHQ Stenographers Service including our recommendations relating to raising of educational qualification to graduation for direct recruitment to Grade 'C', allowing only graduate Stenographers Grade 'C' to appear in the LDCE for Section Officer's grade (ACSO) and stoppage of lateral entry in the grade of CSO (US). As regards maintenance of common seniority roster, the suggestion is not feasible of acceptance in view of our recommendation to stop lateral entry of Private Secretaries to the grade of Under Secretary (CSO).

Other demands

46.50 The other suggestions made by the stenographers belonging to AFHQ Stenographers Service relate to (a) induction of Principal Private Secretaries into the grade of Senior Civilian Staff Officer (Deputy Secretary) or creation of non-functional grade at SCSO level for 30% of posts of PPS, (b) merger of the stenographers with the clerical and civil service, (c) change of designations of stenographers in various grades and (d) different charter of duties and ACR forms for different levels of stenographers.

46.51 We have considered the suggestions carefully. In the case of CSSS, we have recommended a selection grade for the Principal Private Secretaries in the pay scale of Rs.3700-5000 for 58 out of total strength of 158 (existing as well as recommended for upgradation) Principal Private Secretaries. We recommend that a similar upgradation of an equivalent percentage of posts may be made for stenographers service of AFHQ. Since a Limited Departmental Competitive Examination is being introduced for promotion to the grade of Section Officer, Stenographers Grade 'C' in AFHQ will now have the facility of changing their stream through this examination. While it may not be possible for us to recommend merger of cadre of stenographers with clerical cadre/civil service, we have recommended elsewhere to try it as a futuristic idea in the context of introducing multi-skilling in Government offices where an employee would be able to perform several jobs and dependence on many persons for the same job would be reduced. We recommend the following designations for stenographers in AFHQ:-

	<u>Existing Designations</u>	<u>Revised Designations</u>
a)	Stenographer Grade 'D'	Stenographer
b)	Stenographer Grade 'C'	Personal Assistant(P.A.)
c)	Private Secretary	Private Secretary (P.S.)
d)	New Grade proposed (Rs.2500-4000)	Senior Private Secretary (SPS)

<u>Existing Designations</u>	<u>Revised Designations</u>
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e)	Principal Private Secretary (PPS)	Principal Private Secretary (PPS)
f)	New Grade proposed (Rs.3700-5000)	Senior Principal Private Secretary (Sr.PPS)

Widening the scope of duties

46.52 In the case of CSSS, we have recommended widening the scope of duties of stenographers at different levels. We recommend that the decision taken by the Government in their case shall be equally applicable to stenographers of AFHQ. We have been informed by the nodal ministry that the ACR forms have already been revised for different grades of stenographers on the pattern of CSSS.

Departments of Posts and Telecom

46.53 Stenographers working in offices under the Departments of Posts and Telecommunications have urged before us for extension of the benefit of Time Bound One Promotion (TBOP) and Biennial Cadre Review (BCR) Schemes in operation in their departments. We have considered the submission and noted that the operative staff in these departments is being granted first and second time-bound promotions on completion of 16 and 26 years of service respectively. The benefit of the schemes has also been extended subsequently to the office staff in circle offices of the two departments. Since the nature of duties of stenographers in these two departments are similar to their counterparts in other departments and stenographers being a common occupational group, we are of the view that they should be entitled to the same benefit across the board and any special dispensation in respect of stenographers working in offices under the Departments of Posts and Telecommunication is not called for. We have separately recommended in the relevant chapter the introduction of Assured Career Progression Scheme, which is better than the scheme sought for by the stenographers in the two departments. We take note of the fact that the ACP scheme will apply to them.



सत्यमेव जयते

RESTRUCTURING IN MINISTERIAL STAFF OF CERTAIN NON-FINANCIAL ORGANISATIONS
NUMBER OF POSTS EXISTING

Existing	L.D.C.	U.D.C.	HEAD CLERK/ ASSISTANT	OFFICE SUPDT	ADMIN OFFICER	ADMIN OFFICER	ADMIN OFFICER	SR ADMIN OFFICER
	Rs 950-1500	Rs 1200-2040	Rs 1400-2500	Rs 1600-2660	Rs 2000-3200	Rs 2275-3360	Rs 2200-4000	Rs 3000-4500
Proposed	L.D.C.	U.D.C.	ASSISTANT	OFFICE SUPDT	ADMIN OFFICER GR.III	ADMIN OFFICER GR.II	ADMIN OFFICER GR.I	SR ADMIN OFFICER
	RS 950-1500	RS 1200-2040	RS 1400-2500	RS 1600-2660	RS 2000-3500	RS 2250-4000	RS 2200-4000	RS 3000-4500
NATIONAL MUSEUM Existing	14	10	3	2	-	1	-	-
Proposed	14	9	4	2	-	1	-	-
ARCHAEOLOGICAL SURVEY OF INDIA Existing	260	260	39	25	20	-	-	1
Proposed	260	234	45	25	15	5	-	1
NATIONAL ARCHIVES Existing	41	19	14	6	-	1	-	-
Proposed	41	17	16	5	1	1	-	-
ANTHROPOLOGICAL SURVEY OF INDIA Existing	52	35	16	11	7	-	1	-
Proposed	52	31	20	11	5	2	1	-
CENTRAL GROUND WATER BOARD Existing	160	164	60	10	-	15	-	1
Proposed	160	148	76	39	-	13	-	3
C.B.E.C. Existing	5106	4690	893	990	341	-	-	-
Proposed	5106	4221	1364	990	300	36	-	5
C.B.D.T. Existing	6947	6008	2071	648	320	-	-	-
Proposed	6947	5467	3812	648	280	35	-	5
CENTRAL PASSPORT ORGANISATION Existing	976	176	172	101	-	-	48	25
Proposed	976	338	210	53	56	-	48	25

All India Services

INTRODUCTION

*Patel's views on
AIS*

47.1 Two All India Services existed even before the dawn of independence. These were the Indian Civil Service and the Imperial Police. When freedom came a question arose as to whether these services be disbanded or retained. Sardar Patel, the architect of modern India, spoke in favour of All India Services thus :

"It is not only advisable but essential if you want to have an efficient service, to have a Central Administrative Service in which we fix the strength as the Provinces would require them and we draw a certain number of officers at the Centre, as we are doing at present. This will give experience to the personnel at the Centre leading to efficiency and administrative experience of the District which will give them an opportunity of contact with the people. They will thus keep themselves in touch with the situation in the country and their practical experience will be most useful to them. Besides, their coming to the Centre will give them a different experience and wider outlook in a larger sphere. A combination of these two experiences would make the services more efficient. They will also serve as a liaison between the provinces and the Government and introduce certain amount of freshness and vigour in the administration both of the Centre and the Provinces."

*Constitutional
provisions*

47.2 It was decided not to make further recruitment to the ICS and IP, but two new analogous services called the Indian Administrative Service and Indian Police Service were established in 1949. The framers of the Constitution inserted a special provision on All India Services in the Constitution. Article 312 states that:

"...if the Council of States has declared by resolution supported by not less than two-thirds of the members present and voting that it is necessary or expedient in the national interest so to do, Parliament may by law provide for the creation of one or more All India Services (including an All India Judicial Service) common to the Union and the States ..."

<i>Creation of AIS</i>	47.3	The Constitution itself recognised the IAS and IPS as All India Services deemed to have been constituted under Article 312. Subsequently, Parliament passed the All India Services Act, 1951. The Indian Forest Service was created some years later, in 1966.
<i>Objectives of AIS</i>	47.4	<p>The main objectives of the founding fathers in providing for the All India Services were:</p> <ul style="list-style-type: none"> (i) to facilitate liaison between the Centre and the States. (ii) to maintain a certain level of uniformity in standards of administration. (iii) to enable the administrative machinery at the Union level to keep in touch with the ground realities in the States. (iv) to help the State administrative machinery to acquire a broader outlook and exposure, and provide them with the best possible talent for manning senior positions; and (v) To ensure that political considerations, either in recruitment or in discipline and control were reduced to the minimum, if not eliminated altogether.
<i>ARC's observations (1963)</i>	47.5	<p>During the end 60's, the Administrative Reforms Commission reviewed the functioning of the All India Services. Its Study-Team on Centre-State Relationships was of the view that the main objective underlying the All-India Services remained as valid as ever. Their comments briefly are as under :</p> <ul style="list-style-type: none"> a) All India recruitment makes possible a minimum and uniform standard of administration throughout the country. It enables the induction of the best available talent into these services. b) With personnel drawn from different States, each State gets a leavening of senior officers from outside, whose vision and outlook transcend local horizons. c) Systematic deputations from the States to the Union broadens the vision of the officers so deputed and brings to the Union the experience of ground realities. d) The joint control of these officers by the States and the Union Government, with the latter having ultimate authority over them, provides a measure of remote control which, being more objective, enables officers to withstand local influence and to provide independent advice.
<i>Views of Sarkaria Commission (1983)</i>	47.6	<p>In 1983, the Sarkaria Commission on Centre-State Relations again focussed on the All India Services and stated emphatically as under :</p> <p>"The All India Services are as much necessary today as they were when the Constitution was framed... The members of the All India Services have shown themselves capable of discharging the roles that the framers of the Constitution envisaged for them".</p>
<i>Criticism of AIS</i>	47.7	Although the AIS officers have manfully toiled on, there are a number of ominous signals that the steel frame is losing its "steel". Being less amenable to pressures they have been targetted by various interest groups

Politicians find them rigid and rule-minded, while the provincial and technical services are found to have a flexible approach. A major onslaught, especially on the IAS and IPS, castigates their generalist character, while their Central counterparts, both in civil services and in the central police organizations, are said to be specialists in their respective fields.

*Generalist Vs
Specialist*

47.8 We would not like to be drawn into the generalist vs. specialist controversy. Suffice it to say that officers of AIS and Central Services are similar in all respects, except two major features. The officers of Central Services are also generalist administrators but they are confined to a single department, while AIS officers can be posted to a number of departments. Secondly, the AIS officers have experience of functioning at the block, sub division, district, division, State and Centre, while central services officers move up only in the line hierarchy of their own department.

47.9 We would now like to take up various aspects of the working of AIS and make our specific recommendations on different issues.

NEED FOR MORE ALL INDIA SERVICES

*Instruments for
unity of nation*

47.10 There is no doubt that the All India Services have emerged as one of the principal instruments for upholding the unity and integrity of the nation. The Sarkaria Commission warned that any move to dilute their structure, network or authority under any mistaken notion should be regarded as retrograde and harmful. We would like to draw attention to the fact that India is a large country of sub-continental size. We have a rich diversity of cultures and we are, by virtue of our size and population, almost fated to emerge as a regional power in the 21st century. Naturally, there are other forces which would like to thwart this rise and they have been hyperactive in fomenting dissensions, secessionist movements and trouble in vulnerable pockets of the country. We must not be overawed by administrative models that have worked well in small islands, the population of which may be equal to one of the districts of Uttar Pradesh. To keep India united, strong, democratic and free is not a small task. Only a network of AIS can insure us against disintegration.

*Proposals for
more AIS*

47.11 This realization has, now and then, led to proposals for more AIS. One such proposal relates to the Medical Service, which has not been supported by a majority of the States so far. We would like to appeal to the political parties of all hues that they should rise above narrow State or partisan interests. No doubt State services consist mostly of sons of the soil; certainly they are more amenable. But it is in the country's larger interests to have more AIS. To begin with, we have recommended two - Indian Medical Service and Indian Engineering Service (without there being any suggestion for placing these subjects in the Union List). If we can build a national consensus on these, one could then conceive of other All India Services.

*All India Judicial
Service*

47.12 Incidentally, it may be mentioned that the Constitution of India also envisages an All India Judicial Service. This idea has found support from the Law Commission of India in its 14th Report (1958) and by the judicial pronouncement of the Supreme Court in *All India Judges' Association vs. Union*

of India (1992 (1) SCC 119). The setting up of the National Judicial Pay Commission is possibly a step towards constitution of such a Service. We welcome this move.

STRENGTHENING THE ALL INDIA CHARACTER OF AIS

*Cadre
Allocations of
Direct Recruits*

47.13 Currently, the cadre allocation of AIS officers who come as direct recruits is made in two parts. The insiders (that is, those who belong to a particular State) are allotted on the basis of merit-cum-option, while the outsiders are allotted States according to alphabetical order, irrespective of their position in the merit list and the choices indicated by them. The procedure is opaque and often there are charges of manipulation by influential probationers. The allotment of States is communicated after a long time; by then the probationer does not even have the option of re-appearing or moving over to a different service. This procedure is sought to be justified on the ground that it distributes talent randomly over all the States. However, it also leaves bright people, high in the merit list, stuck in a particularly remote area, with a sense of injustice which does not bode well for the all India character of the AIS.

*Our
recommendations*

47.14 It is, therefore, recommended that allotment of State cadres should be done, in a transparent manner, at the time of appointment itself, basing itself on the position of probationers in the merit list and the options indicated by them.

*Cadre Allocation
of Promotees*

47.15 As far as the promotee officers of the AIS are concerned, they normally belong to that very State, they spend all their lives in that State, they are allotted to the same State cadre even on their promotion to AIS and they generally are reluctant to go to the Centre, other States or PSUs on deputation. Resultantly, they tend to be somewhat parochial in their outlook and may even develop a nexus with the local politicians.

*Our
recommendations*

47.16 There can be a great change in the outlook of the promotee officers if the following three recommendations are accepted:-

- a) When they are promoted to AIS, 50% of them should be allotted to contiguous States of the same region and the balance 50% to their own State.
- b) All AIS Officers should be compelled to do at least one stint of deputation with the Centre during the first 15 years of their service.
- c) The Central Government should have the authority to change the State of allotment for any officer, if there is evidence to show that he has developed a close nexus with either the politicians or other elements in a State.

STRENGTHENING THE BACKBONE OF THE AIS OFFICERS

Unholy nexus

47.17 We come next to the phenomenon of the AIS Officers losing their willingness to be independent and objective in their advice to the political masters. This weakening of the backbone has not happened suddenly or overnight. The methods used to tame a recalcitrant officer have been documented by numerous writers on the subject. The simplest method is to transfer him several times in a year. Although it is often said that transfer is an integral part of the service system and not a punishment, it is different when one has to pack up all one's belongings and readmit children to fresh schools several times in a year. If this technique does not work, suspension or a vigilance raid is resorted to. There are some examples of officers who have complained of murderous assaults, acid-throwing, etc. On the other side of the coin, one can think of several blandishments like cushy postings, foreign jaunts, allotment of plots and flats, use of discretionary quota for sending their wards to medical or engineering colleges and so on. The Vohra Committee has vividly described the nexus that has developed between unscrupulous elements in the political, bureaucratic and business worlds. Recent exposures of several scams also underline the same phenomenon. It is of the utmost importance that this nexus be broken and steps urgently taken to strengthen and even restore the backbone of the AIS Officers.

*Our
recommendations*

47.18 For this purpose, the following steps are recommended:

- a) **There should be a minimum tenure for every post. No premature transfer from a post should be allowed, except after following the procedure suggested below.**
- b) **Postings of officers in the States should also be made in the same manner as is laid down for the Centre. There should be a Civil Services Board to recommend postings and an Appointments Committee of the Cabinet to approve them. This will reduce the whimsical nature of postings and transfers.**
- c) **A premature transfer should be effected only when the procedure enunciated by us in the chapter on Transfer Policy has been followed. This involves submission of a case for premature transfer, along with reasons therefor, to the Civil Services Board.**
- d) **Each transfer order should contain the average tenure of AIS officers in the State, as modified by that particular order. This would provide immediate warning signals in case too many premature transfers are being ordered.**
- e) **No transfer should be based on the recommendation, verbal or written, of anyone except the designated authorities in the civil service. All other recommendations, whether by politicians or by bureaucrats, should be filed. Departmental action should be taken against officers who bring such outside pressure to bear on the system.**

- (f) State Governments should not have the power to place an AIS officer under suspension. They should forward such cases to the Union Government, giving full reasons for their recommendations. All such cases should be disposed of, one way or the other, within 5 days by the Union Government.

Creation of sinecures

47.19 Another phenomenon used for taming the wilder elements in the AIS is the creation of ex cadre posts with high-sounding titles, which are declared equal to some really powerful posts. For example, the post of Editor-in-Chief of Gazetteer Unit may be declared as of Commissioner's rank; the chairmanship of a Boundary Commission may be equated to the post of Chief Secretary. Thus an upright officer suddenly finds himself overthrown and shifted to a sinecure, unimportant assignment where he has no work, no powers, no authority, nothing to do. There cannot be a more potent method of reducing a strong man into a weakling.

Our recommendations

47.20 It is recommended that prior written approval of the Central Government should be necessary, before an ex cadre AIS post of SAG and above is created by a State Government.

Empanelment procedure

47.21 A very strange phenomenon that has been witnessed in recent years is that officers who have not been found fit to be on the panel of Joint, Additional Secretaries or Secretaries to the Government of India return to their parent cadres or continue to work there, and are in due course appointed to posts of SAG, HAG and even Secretary's rank. The logic for this is the supposed difference between the qualities required of an officer for a Central Government posting, and those needed for a State Government posting. That the argument is specious is proved by the fact that officers who were overlooked in the Central Government because of CBI cases pending against them have been appointed by their State Governments to high positions!

Our recommendations

47.22 The only anti-dote to this unsatisfactory practice is that there should be joint empanelment to the posts of SAG and above. Officers of the Central and State Government can meet and jointly decide as to who is or is not fit to be empanelled. Fitness or unfitness should be for both Central and State-level assignments.

Creation of Posts

47.23 Another method that has been used for demoralizing the AIS officers is the creation of unnecessary posts, both in the Centre and the States. The result of such indiscriminate creation of posts is that each post thereby becomes less important and effective, and there are a large number of posts that have no work and authority. A little understood result is the poaching that takes place on the preserves of other services, who resent the encroachment.

Our recommendations

47.24 We recommend strongly that there should be a 30% reduction in the authorized strength and filled in posts in the All India Services, both at the Centre and the States. This will yield rich dividends in many ways:

- (i) With the total number of AIS posts going down, the annual intake would necessarily have to be drastically reduced too. Resultantly, the quality of the recruits to the AIS will improve.

- (ii) When these posts are taken out of the AIS, many of the posts will revert to their original cadres, who will be happy to have the posts back
- (iii) With less important posts having been surrendered, all remaining posts would have, more or less, the same inherent worth-of-charge. Thus it would be more difficult to humiliate an upright officer, by shifting him to a useless post

IMPROVING THE QUALITY OF AIS OFFICERS

Promotion Policy 47.25 It is also necessary to change the present system of almost guaranteed promotions in the AIS, especially in the States. The system of joint evaluation for empanelment will to some extent bring about a greater selectivity in promotions at the State level. But even so, the tendency is to create more and more posts at the higher levels in order to accommodate a high percentage of officers in senior assignments

Ceilings on Size of Panel 47.26 This trend needs to be reversed. To give an example of the IAS, as far as empanelment to the rank of SAG in the Central Government is concerned, not more than 50% officers in a batch should normally make it. For HAG in the Central Government not more than 30% should be considered fit. 20% should be the outer limit for Secretaries to Government of India. Similar sifting is necessary at the State level.

Fast Track Promotions 47.27 There is also an urgent necessity for creating a fast track of promotion for really outstanding officers. Once the idea is accepted, suitable mechanisms for selection can be evolved.

RELATIONS OF IAS WITH OTHER SERVICES

Demand for Parity 47.28 We now come to the difficult area of relations between the IAS and the other Services. Most of the Associations of the IPS and Central Services have spent a lot of time and effort in trying to explain as to why there should be absolute parity between the IAS and these Services, in terms of pay scales, career progression and Central deputation. It would be useful to examine their arguments and see how far these are tenable.

The 1-mark argument 47.29 The chief argument is that all recruits to IAS and Central Services are inducted through the same examination. There may be a difference of only one mark between the last man in the IAS and the first man in the Central Services. That single mark should not make such a difference as to change their entire career patterns.

Weakness of the argument 47.30 This line of argument is not convincing. It is not correct to compare the last man of the IAS with the first man of the Central Services. If the first of each Service is looked at, the difference in marks obtained would be considerable. Besides, Group 'B' services are also recruited through the same examination. If the 1-mark argument is conceded as between the IAS and Group

'A' Central Services, the same should then result in a parity between the Group 'A' Central Services and Group 'B' Central Services. The fact is that there is a split-second difference between a gold medalist and the also ran in an Olympic race.

*The Specialist
Argument*

47.31 The other argument is that officers of Central Services are specialists who deserve to head their departments and hold all the posts of Secretaries, Special Secretaries, Joint Secretaries etc and the intrusion of the generalist IAS officers reduces the efficiency of Government, especially in the present-day age of specialisation.

*All are Generalist
Services*

47.32 It has been shown in an earlier paragraph that there is essentially no difference between IAS officers and officers of the Central Services. All of them are generalist administrators. Their expertise lies in their administrative skills of conceptualisation, man and materials management, financial planning, interpretation and application of rules. Compared to Central Services an IAS officer has experience of all levels of government from the panchayat to the district, State and Centre, and compared to IPS and Central Services he has experience of different departments in the present set-up.

47.33 The reasonable argument that has some weight is that there should be better career progression for the IPS and Central Services too.

47.34 With regard to the edge enjoyed by the IAS/Indian Foreign Service over the other Services, we have examined the matter in the light of the views expressed by previous Pay Commissions and the Government's Resolution of 1987. We find the edge existing from the 1st CPC to 3rd CPC but with varying amounts. As far as the Fourth CPC is concerned the pre-revised scales, the revised scales suggested by the Fourth CPC and the scales finally approved by the Government are shown in the following Table

Scale by	Pre-revised Pay scale	Scale suggested by Fourth CPC	Scale approved by Government
JTS	For All Rs.700-1300	Rs.2200-4000	Rs.2200-4000
STS	IAS/IFS Rs.1200-2000	Rs.3000-5000	Rs.3200-4750
	IPS Rs.1200-1700	Rs.3000-4500	Rs.3000-4500
	Ind Forest		
	Service Rs.1100-1600	Rs.3000-4500	Rs.3000-4500
	Central Rs.1100-1600	Rs.3000-4500	Rs.3000-4500
	Services		
JAG	IAS/IFS -	-	Rs.3950-5000
	IPS -	-	Rs.3700-5000
	Ind Forest		
	Service -	-	Rs.3700-5000
	Central Rs.1500-2000	Rs.3700-5000	Rs.3700-5000
	Services		

Scale by	Pre-revised Pay scale	Scale suggested by Fourth CPC	Scale approved by Government
NFSG	IAS/IFS Rs.2000-2250	Rs 4500-5700	Rs.4800-5700
	IPS Rs.1800-2000	Rs.4100-5300	Rs.4500-5700
	Ind Forest Rs 1650-1800	Rs 4100-5300	Rs.4100-5300
	Service Central Rs.2000-2250	Rs.4500-5700	Rs.4500-5700
	Services		

47.35 The Government of India, Ministry of Finance by its Resolution dated 13th March, 1987 decided to give an edge as shown in the above Table. While the JTS for all Services was kept at the same levels, the IAS/IFS enjoyed a certain edge in STS, JAG and NFSG pay scales, as per the Government Resolution. This edge has continued till date.

Our recommendations

47.36 Based on the above analysis, we would like to make the following recommendations :

- (i) In order to set the controversy of a single examination at rest, Govt should restore the system of examination which used to prevail before 1979. There should be additional papers for the IAS/Indian Foreign Service on the same pattern as before.
- (ii) As far as the edge enjoyed by the IAS and IFS over the other Services is concerned, we do not find any persuasive reason that would impel us to do away with the edge currently enjoyed by them. We, therefore, recommend that they be given corresponding replacement pay scales.
- (iii) Currently, there is a conventional edge of two years between IAS/IFS vis. a vis. IPS/Central Services as far as empanelment in the Central Staffing Scheme is concerned. We are not disturbing this edge. The edge of two years does not apply to other Services (including Indian Forest Service) with respect to promotions in their own cadres. However, certain instances have come to notice where promotions in their own cadres have been stalled till the corresponding batch in the IAS was promoted. This practice must stop.
- (iv) We are making several recommendations for other services in order to improve their promotion prospects. These include creation/upgradation of at least one post in the rank of Special Secretary to Government of India in the pre-revised scale of Rs. 8000 (fixed), upgradation of some posts to the pre-revised scales of Rs. 7600-8000, Rs.7300-7600 and Rs. 5900-6700, suggestion of a model cadre structure to be achieved through five-yearly cadre reviews which have to be provided for in the Cadre Rules so as to be justiciable, earmarking of one post of JS/Director/DS dealing with cadre matters in the office of the Cadre Controlling Authority for each Service, Assured Career Progression for all Group A Central Services so as to make financial progression possible on a time-bound basis, etc

- (v) In order to remove the apprehension of other Services about the process of empanelment and posting under the Central Staffing Scheme, one non-
IAS Secretary should be a member of the Civil Service Board. An outside
expert may be co-opted for certain specialised assignments. It is also felt
that the panels should not be secret documents but should be notified
formally, for the information of all concerned.

*Parity between
IPS and IFS*

47.37 There is a long-pending demand of officers of the Indian
Forest Service that they should be brought at par with the Indian Police
Service. There is a great emphasis on the environmental issues in the
international community. Preservation and regeneration of forests are
concerned among the key issues for the future of the planet. IFS officers also
have a major interface with IPS officers, in that both services combat crime.
In view of the increasing importance of forestry and environment, the
demand for equation of IPS and IFS has acquired legitimacy. It is a
reasonable demand and may be accepted.

RELATIONS WITH FEEDER SERVICES

*Our
recommendations*

47.38 The AIS have also an interface with their three feeder services -
the State Civil Service, the State Police Service and the State Forest Service. There
are certain problematic issues which have arisen over the years. One major area is
the creation of posts in the feeder cadres, which are higher than the senior time
scale of the AIS. The creation of such posts beyond the NFSG results in the
problem of fixation of pay on the promotion of an officer into the AIS. It is,
therefore, imperative that the following steps be taken:

- (a) A Central legislation be enacted to provide for restriction on creation
of posts in feeder services without prior approval of the Central
Government.
- (b) Suitable provisions may need to be made in the rules of the feeder
cadres so that the promotional avenues of these cadres are
ameliorated in such a manner as to permit their promotion to the AIS
within a defined time-frame. These can also ensure that members of
feeder services need not be placed in grades higher than NFSG before they
make it to the AIS.
- (c) The maximum weightage in terms of seniority given to the members
of the feeder services, is currently restricted to five years. This may
be raised to six years.

Special issues

47.39 There are a few special issues relating to individual services to
which we now turn.

INDIAN ADMINISTRATIVE SERVICE

*Inter-service
Relationship*

47.40 A serious problem that needs urgent attention is the relationship between the Secretaries (Home) and Directors General of Police on the one hand, and between the Secretaries (Forests) and Principal Chief Conservators of Forests on the other. Secretaries (Home) and (Forests) need not always be senior posts, while DGPs and PCCFs are the senior most officers of the IPS and IFS in the State. There are naturally problems of who will initiate the ACR and other interactional niceties.

*Creation of Posts
in Rs.7600-8000*

48.41 We have created posts in the pre-revised scale of Rs.7600-8000 in many Central Services, but posts of the same scale have not been created in the IAS. It is recommended that posts of Secretaries incharge of Home and Forests Departments in the State be upgraded to the pre-revised scale of Rs.7600-8000. This would ensure that officers next in seniority to the Chief Secretary/Additional Chief Secretary would be appointed to such posts. As we are also recommending the same scale of Rs.7600-8000 to all DGPs and PCCFs, there will hopefully be less problems of interaction between them and their administrative Secretaries.

*Posting of
District
Collectors*

47.42 In many States, the post of District Collector is not given the necessary importance, with the result that very young IAS Officers get posted to these crucial assignments. As District Collectors are supposed to co-ordinate the functioning of all district officers, some of whom may be much more experienced, it is recommended that no IAS officer should be posted as a District Collector unless he has completed nine years of service. Further, it is often the case that a District Collector has to be promoted to the SAG when he has completed only a brief stint in the district. In such cases, he may be allowed to continue in the district while holding the SAG pay-scale.

INDIAN POLICE SERVICE

47.43 The post of Commissioner, Civil Aviation Security is currently in the scale of Rs.7300-7600. The responsibilities of this post have become very onerous in recent times. As such, we recommend its upgradation to the rank of Director General, Civil Aviation Security in the pre-revised scale of Rs.8000 (Fixed).

DGP's

47.44 The IPS associations have asked for a uniform scale for all Directors General of Police in the States. This is a justified demand and we may upgrade all DGPs to the pre-revised scale of Rs.7600-8000.

Addl DGPs

47.45 There is currently no cadre post of Additional DGP in the States. All the posts are ex-cadre posts created by the State Governments. In fact, the Ministry of Home Affairs had made an abortive attempt to abolish these posts but had to retrace its steps in view of the strong reaction from the State Governments. It is felt that field realities should be taken into account and accordingly we recommend that the rank of Additional DGP be recognised for creation of

cadre posts in the pre revised scale of Rs.7300-7600.

IGs

47.46 The IPS Associations have asked for the abolition of the rank of DIG. This is a rank which is functionally required at the level of the Range. Further, there are certain traditional relativities between the Armed Forces and the Police which cannot be unduly disturbed. As such, we are unable to accede to this demand. However, the condition that an officer should ordinarily put in four years of service in the grade of DIG for promotion to the scale of IG needs to be removed, as it acts as an unnecessary hurdle.

INDIAN FOREST SERVICE

*PCCF/Adl.
PCCF*

47.47 Having conceded the demand of the IFS for a parity with the IPS, it would be necessary to raise the pay scale of Principal CCF to Rs.7600-8000 (pre-revised scale) in all State Governments and also allow the creation of post of Additional PCCF in the pre-revised scale of Rs.7300-7600. Conservators of Forests would move to the pre-revised scale of Rs.5100-6150 and the scale of Rs.4500-5700 would become a non-functional selection grade for the Service. We recommend accordingly.

IG Forests

47.48 In the Central Government, the IFS have only one senior post in the Inspector General of Forests. The post may be redesignated as Director General of Forests while continuing to draw his pre-revised pay scale of Rs.8,000 (Fixed).

IG, ICFRE

47.49 The post of Director General, Indian Council for Forestry Research and Education is currently in the scale of Rs.7300-7600. Taking into account his multifarious duties and responsibilities, we recommend upgradation of the post to Rs.8,000 (fixed) in the pre-revised scale.

Adl.IGF

47.50 There are two posts of Additional Inspectors General of Forests in the Ministry of Environment and Forests, in the scale of Rs.7300-7600. Keeping in view the upgradation allowed in other Services, we may upgrade these posts to Additional Director General of Forests in the pre-revised scale of Rs.7600-8000.

Director, IG NFA

47.51 The post of Director of the Indira Gandhi National Forest Academy is presently in the pre-revised pay scale of Rs. 5900-6700. It may be upgraded to Rs.7300-7600 in the pre-revised scale of pay.

DIGF

47.52 There is only one post in the scale of Rs.5900-6700 for the IFS as Director Project Tiger in the Ministry of Environment and Forests. This number may be increased to five, by upgradation of four posts of DIGs as Inspectors General of Forests (IGs) in the pre-revised scale of Rs.5900-6700.

Central Civil Services (Group 'A')

Introduction

48.1 The public services of the Central Govt. can be broadly classified into (a) the Civil Services of the Central Government and (b) the Defence Services of the Central Government. The Civil Services of the Central Government consist of (i) All-India Services, and (ii) Central Civil Services. As mentioned in the preceding chapter, there are three All India Services, viz the Indian Administrative Service, the Indian Police Service and the Indian Forest Service. These three services are common to the Centre and the States and hence are under their joint control. The Civil Services of the Central Govt. are under the control of the Central Government alone.

Civil Services

48.2 The Civil Services of the Central Government consist of established services known as the Central Civil Services as well as civil posts created outside the established services, which constitute the General Central Services. Both the established Central Civil Services and the civil posts are classified in descending order of seniority as Group 'A', Group 'B', Group 'C' and Group 'D'. The number of Central Civil Services, Group 'A' has been increasing over the years - from 30 in 1971, 49 in 1984, to 62 today. They account for the bulk of the Group 'A' posts under the Central Govt. (about 55,000 out of a total of 75,000). The Central Civil Services are broadly classified into (1) Non-technical Services and (2) Technical Services (which include Engineering and Scientific Services). The non-technical services are meant to administer non-technical areas of administration at the Centre like audit, income-tax, posts and telegraphs and railways. The technical services perform similar functions on the technical side of the Central Government. Group 'A' category also includes officers engaged in research in scientific and technological fields. The Central Civil Services consist of both kinds of isolated posts, technical and non-technical.

Cadre Structure of Group 'A' Central Civil Services

48.3 A typical unifunctional Group 'A' Central Civil Service has a cadre structure which is constituted in the form of a pyramid, the various layers of the pyramid corresponding to different levels of responsibilities with functional distinction. This starts with Junior Time Scale (Rs.2200-4000), which is generally a probation-cum-training grade for direct recruits, and passes through Senior Time Scale (Rs.3000-4500), Junior Administrative Grade (Rs.3700-5000) and Senior Administrative Grade (Rs.5900-6700). In most of the services, a Selection Grade

(Rs 4500-5700) also exists as part of Junior Administrative Grade. In some cases, it is functional and in others it is non-functional. Generally all the Group 'A' Central Service cadres have posts in higher grades, i.e. Senior Administrative Grade (Rs 5900-6700), Higher Administrative Grade (i.e. the scales of Rs 7300-7600, Rs 7600/(fixed), Rs 7300-8000, Rs 7600-8000).

<i>Duty Posts</i>	48.4	A well-structured Group 'A' cadre consists of two distinct components : (i) Regular Duty Posts and (ii) Reserves. The regular duty posts which constitute the core of the cadre are meant for performing the functions for which the service has been constituted. It consists of both permanent posts as well as temporary posts which are likely to continue indefinitely. The duty posts are structured into different levels of hierarchy in the time scale, junior administrative grade, senior administrative grade, etc. corresponding to different levels of responsibility.
<i>Reserves</i>	48.5	The reserves are of four types, viz. (i) probationary reserve (ii) leave reserve (iii) training reserve and (iv) deputation reserve. Some Service Cadres provide for a probationary reserve in order to cater to the requirements of probation which has to be undergone by direct recruits to the service. The strength of the reserve depends upon the size of the normal annual intake through direct recruitment and the period of probation required to be put in by direct recruits.
<i>Other Reserves</i>	48.6	The other reserves, namely, leave, training and deputation reserves, are intended to serve as substitutes for regular duty posts in the event of service officers holding duty posts being temporarily away from their cadre on leave, training, or deputation. Officers holding the posts under such reserves do perform regular functions of the posts against which they are posted as substitutes. The various types of reserves, including probationary reserves, are usually created and accounted for in the junior time scale.
<i>Attributes of Organised Group 'A' Central Civil Services</i>	48.7	The attributes of an Organised Group 'A' Civil Service, as per the Department of Personnel and Training guidelines, are as follows:- <ul style="list-style-type: none"> a) The highest cadre post is not below the level of Rs. 5900-6700; b) It has all the standard grades, namely, Rs. 2200-4000, Rs. 3000-4500, Rs. 3700-5000/Rs. 4500-5700 and Rs. 5900-6700; c) At least 50% of the vacancies in the Junior Time Scale (Rs. 2200-4000) are required to be filled by direct recruitment; and d) All vacancies above the Junior Time Scale and up to the Senior Administrative Grade (Rs. 5900-6700) are filled by promotion from the next lower grade.
<i>Career Expectations</i>	48.8	Officers joining a Central Group 'A' Civil Service have certain expectations from these services in terms of going up the ladder through different stages of the hierarchy within a reasonable period of time. If the cadre pyramid is disjointed, obviously the promotional opportunities for individual members of the Service would be limited. On the other hand, in a structure which is not so steep, one can expect reasonable promotional opportunities. Thus, the degree of

realisation of career expectations by members of a service is essentially a function of the degree of steepness of the cadre profile pyramid

Feasibility of a Model Cadre Structure

48.9 It has also been brought to our notice that the cadre structure of some of the organised Group 'A' Civil Services suffer from varied degrees of lopsidedness which have disturbed the equilibrium. We strongly feel that functional justifications dove-tailed with reasonable promotional opportunities should be the prime considerations in deciding the proportion of posts in different grades in a cadre. The desideratum of functionality preclude any concept of an ideal and uniform pyramid towards which each cadre controlling authority could attempt to move. Even so, some broad parameters do need to be laid down, so as to somewhat equalize opportunities for progression.

Model Cadre Structure

48.10 The demands concerning the feasibility of a model cadre structure and their rationale have been carefully considered by us in their totality. Although it is clear that uniform career prospects in all services can only be a distant objective, we recommend the following ideal distribution of Group 'A' posts among various grades for any Organised Gr.'A' Central Civil Service Cadre with regard to the senior duty posts (STS and above) in order to provide guidance to the cadre controlling authorities in their quest for an ideal structure:-

Scale	%age of Senior Duty Posts	Mandatory eligibility for grant of the Grade
Senior Time Scale(STS)	30	5th year
Junior Administrative Grade(JAG)	30	9th year
Selection Grade(SG)	20	14th year
Senior Administrative Grade(SAG)	17	17th year
Higher Administrative Grade(HAG)	3	25th year

Inclusion of Group 'B' posts in the Group 'A' Cadre strength

48.11 While going through the cadre composition of the Indian Railways Accounts Service, Indian Railways Personnel Service, and Indian Railways Traffic Service, it has been observed that the posts belonging to their feeder Group 'B' Services have been shown against the JTS of the respective Group 'A' Services authorised cadre strength. In fact, in all the 8 organised Services of the Indian Railways (excluding IRMS) the JTS strength represents the post of Assistant Officer in the lowest rung of Gazetted Cadre and combines both the Gr.'A' and Gr.'B' posts. We have been given to understand that a clear cut segregation between Group A and Group B posts at the JTS level in an organisation like Indian Railways may not be possible. As per the existing arrangements, the post is considered as Gr.'A' post in the pay scale of Rs. Rs. 2200-4000 when it is occupied by a Group 'A' Officer, otherwise it is a Gr.'B' post in the pay scale of Rs. 2000-3500.

Review of the authorised cadre strength of organised Gr. 'A' Services of Indian Railways

48.12 We feel that this kind of working environment and administrative set-up is not peculiar to the Indian Railways alone. This is quite similar for other All India Services and some of the Central Services wherein the officers of Group 'A' JTS level and the respective Group 'B'/feeder services man interchangeable posts which are equivalent in duties and responsibilities. We recommend review

of Group 'A' Cadre Strength of all 8 organised Group 'A' Services of Indian Railways in consultation with the DOPT so that the Group 'A' cadres are distinctly segregated from the Group 'B' Cadres. Meanwhile, our recommendations with regard to Model Cadre Structure may be considered to be applicable only to those posts which are strictly Group 'A' posts. The Group 'B' posts should not be taken into account.

*Cadre review
Demands*

48.13 Practically all the Group 'A' Services Associations have painted a dismal scenario of their career advancement and status of cadre reviews by respective administrative ministries thereby resulting in acute stagnation. It has been observed that the various Central Services are at different levels of review of their cadre structures. Some have already managed four cadre reviews since their inception, while others have yet to get their maiden ones finalised. It has been observed that in the absence of any mandatory provision for undertaking these cadre reviews, this process may take an inordinately long period.

*Cadre review
Our
recommendations*

48.14 The present guidelines issued by the Department of Personnel on the matter clearly envisage the periodicity of cadre reviews to be five years. However, from the memoranda received from various Group 'A' Service Associations it has been observed that the various cadre controlling authorities are not following the guidelines strictly. We recommend insertion of suitable provisions in the service rules of all Group A Central Civil Services so as to make the cadre review process at five-yearly intervals for the respective services mandatory on the part of cadre controlling authorities. The intention of this proposal is to make the issue of occurrence and periodicity of cadre reviews justiciable.

*Optimisation of
size*

48.15 In tune with our overall strategy for optimisation of numbers in the Government, we recommend strongly that there should be a 30% reduction in the size of each Central Service over a period of 10 years. A question may arise as to how the five yearly cadre reviews aiming at a model cadre structure would be able to reconcile itself with the 30% cut in numbers. The obvious solution is to target an overall cut of 30% in the total numbers; their distribution over the different pay scales can be adjusted variably so as to come closer to the model cadre structure. Thus there need not be an exact cut of 30% at each level.

D.P.C. procedure

48.16 Another problem being faced by a majority of Group 'A' Services Cadres is that of long delays in the DPC procedures for filling vacant posts. Although a number of posts in different grades may be lying vacant, the eligible officers could still be stagnating. The DPC procedures duly involving the UPSC are a must for promotions to any higher grade. We recommend that the DPC involving consultation with the UPSC should be held for promotion to SAG level posts only. For functional promotion to grades below SAG level an inter-departmental Screening Committee may be constituted to clear such promotion cases within a stipulated time-frame in anticipation of the vacancies. This would enable the incumbents to join without much loss of time.

48.17 There is a grievance that officers belonging to different batches are considered at one time and there have been occasions when there have been supersession by a member of one batch over his seniors belonging to an earlier

batch. Their inter se seniority also keeps on getting changed with every promotion. All this generates considerable bad blood. It is, therefore, suggested that promotions in the Central Services may also be held in the same manner as in the IAS. One batch be taken for consideration at a time. Inter se seniority as fixed by UPSC at the initial entry should remain intact, despite supersession.

*Cadre
Controlling
Authority*

48.18 One of the major grievances put forth by the Associations of various Organised Group 'A' Services was apathetic cadre management by the respective cadre controlling authorities which was due to non association of service members in the cadre management process. Some of the service associations have gone to the extent of demanding that the powers of cadre controlling authority should vest with the respective Heads of the service instead of the concerned Ministries. Having gone through the pros and cons of various alternatives, we recommend that the cadre controlling authority should continue to be vested with the concerned Ministries but the posts of Joint Secretary or Director/Deputy Secretary in-charge of cadre control of these services, depending upon the size of the service, should be manned by a suitable officer belonging to the respective service under the Central Staffing Scheme. The DOPT should ensure the empanelment and subsequent placement of such officers accordingly.

*Future cadre
reviews and
Model cadre
structure*

48.19 We have also received demands from various Associations of Organised Central Group 'A' Services for large scale upgradations of various cadre posts. Our general approach has been to ensure that a limited number of posts at senior levels are recommended for upgradation only as an interim measure so as to improve the career prospects of the members of these services within their cadre pending detailed cadre reviews in the light of the Model Cadre Structure proposed by us. These detailed cadre reviews duly identifying the posts to be upgraded and carrying out proper restructuring, if required, will necessarily have to be undertaken only by the concerned administrative Ministries.

48.20 Another sore point with the Central Services is that in some of them there is not a single post carrying the scale of pay of Secretary (Rs.8000/- fixed). We felt that this was a just grievance and we have taken pains to provide at least one post carrying that scale in almost all the services, except those which are very small in size or young in age.

Our strategy

48.21 It will thus be appreciated that we have adopted a six-pronged strategy to ameliorate the condition of the Central Services :-

- (a) Provision of at least one post of Special Secretary rank carrying a pay scale of Rs.8000/-
- (b) Increase in the number of posts in HAG/SAG on ad hoc basis.
- (c) Provision of a Model Cadre Structure.
- (d) Provision for a statutory cadre review after every five years under a justiciable procedure.

- (e) Keeping a J.S./Dir./D.S. level officer of each service as the officer dealing with cadre affairs of that service.
- (f) An ACP system which assures a pay progression to all officers of all services within a time-bound schedule.

Applicability of our recommendation

48.22 These general recommendations shall be applicable to all Organised Group 'A' Central Civil Services including the Engineering and Medical Services. All posts pertaining to these services discussed in this Chapter shall be given the replacement pay scales corresponding to the pre-revised existing scales unless specifically mentioned in the foregoing paragraphs.

Services discussed in this chapter

48.23 The following Organised Group 'A' Central Services are being discussed in this Chapter and rest of them have been covered by us in the Report separately.

<u>Sl No.</u>	<u>Name of Service</u>
1.	Indian Foreign Service.
2.	Indian Audit & Accounts Service
3.	Indian Broadcasting (Programme) Service
4.	Indian Civil Accounts Service
5.	Indian Cost Accounts Service
6.	Indian Customs & Central Excise Service
7.	Indian Defence Accounts Service
8.	Indian Defence Estates Service
9.	Indian Economic Service
10.	Indian Information Service
11.	Indian Ordnance Factories Service
12.	Indian P & T Finance & Accounts Service.
13.	Indian Postal Service
14.	Indian Railways Accounts Service
15.	Indian Railways Personnel Service
16.	Indian Railways Traffic Service
17.	Indian Revenue Service(Income Tax)
18.	Indian Statistical Service
19.	Indian Trade Service

Mode of Recruitment

48.24 Recruitment to the above Services excepting the Indian Economic Service, Indian Statistical Service, Indian Cost Accounts Service and Indian Broadcasting Programme Service is made through the Combined Civil Services Examination conducted by the UPSC. By and large direct recruitment to the extent of 50% of the posts at JTS level is resorted to, while the remaining 50% posts are filled through promotion from the respective feeder services. The posts above JTS level are filled by the method of promotion only or by selection through Departmental Promotion Committees constituted for the purpose.

48.25 We now propose to discuss the service-specific demands put forth by Associations of the Central Civil Services (Group 'A') and our recommendations thereon.

INDIAN FOREIGN SERVICE

Introduction

48.26 The Indian Foreign Service (IFS) was established for the conduct of the full range of India's foreign relations. The cadre control of this Service vests with the Ministry of External Affairs.

48.27 It was demanded that the head of the Foreign Service should be designated as Secretary General and get the same pay as the Cabinet Secretary. We recommend that all Secretaries to the Govt. should get the same pay and hold the same designations, without any exception.

Parity in pay scales vis-a-vis IAS

48.28 Keeping in view the changes recommended by us in the Combined Civil Services Examination for the recruitment of IAS and IFS officers and the traditional parity in pay scales between the two services, we recommend the grant of same set of pay scales to officers of both the services.

INDIAN AUDIT AND ACCOUNTS SERVICE

Introduction

48.29 The Indian Audit & Accounts Service is the principal instrument by which the Comptroller and Auditor General of India discharges his Constitutional obligations. This service aids and assists the C&AG in the performance of his duties and in the exercise of his powers in relation to audit of accounts of the Union and of the States and of any other authority or body prescribed by or under any law made by the Parliament or State Legislatures.

Deputy Comptroller and Auditor General of India

48.30 The post of Deputy Comptroller & Auditor General of Accounts is the highest cadre post available to the members of the IA&AS. It is in the pay and rank of Secretary to the Government of India. It has been pleaded that the Deputy C&AG should have the pay scale and status next to that of the Cabinet Secretary as in the present scheme of pay structure and in the event of Fifth CPC recommending upgradation of any other post to the level of the Cabinet Secretary, the Dy. C&AG should also be placed in that higher level of pay. The Association's apprehension is unfounded as we are not recommending upgradation of any post of a Secretary to the Government of India to that of the Cabinet Secretary.

Upgradation of posts of Additional Deputy Comptrollers and Auditor General

48.31 There are five Addl. Deputy Comptrollers and Auditor General (ADA1) who are responsible for the finalisation of the audit report on Union Government, States and commercials respectively. These officers supervise and coordinate the work of Principal Accountants General/Directors General who are HAG level officers. In most cases, the finalisation of audit reports entails discussion with the highest echelons of the executive with a view to project a balanced view. We recommend the upgradation of five posts of Additional Deputy Comptrollers & Auditor General in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7600-8000.

Principal Accountant General

48.32 Of the eleven posts presently in the scale of pay of Rs. 7300-7600 and variously designated as Director General, Principal Accountant General and Director of External Audit, India, United Nations Board of Auditors, eight are in

various State Capitals and vested with the responsibility of overseeing the Audit of transactions of the concerned State Governments, State public enterprises, autonomous bodies, etc. or the Accounts and Entitlement functions in the respective states. Posts of other State Accountants General are in a lower scale of pay of Rs.5900-6700. It has been urged that of the posts of Accountants General in each of the states entrusted with audit functions one post should be of the level of Principal Accountant General in the scale of pay of Rs. 7300-7600. This would obviously involve upgradation of a large number of posts, which will necessarily have to be justified on functional considerations. At the same time, in the context of our emphasis on improving efficiency in administration and enforcing accountability, we recognise the need for strengthening the audit machinery. Expectations from Audit have also increased in the recent past following the detection of large-scale irregularities in various spheres of governmental activity. Pending, therefore, a detailed evaluation of the actual functional requirements and as an interim measure to alleviate the problem of stagnation in the Senior Administrative Grade of the Service to some extent, we recommend the upgradation of four posts of Accountants General to those of PAG in the replacement scale of pay of Rs.7300-7600. We would leave the actual deployment of these posts in the field to the C&AG of India who is the best judge of his requirements.

Director National Academy of Audit and Accounts

48.33 The National Academy of Audit and Accounts, Shimla, is the apex in-service training institute for the officers of the IA&AS which is headed by a Director in the SAG level. We recommend the upgradation of this post in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600.

INDIAN BROADCASTING (PROGRAMME) SERVICE

Introduction

48.34 The Indian Broadcasting (Programme) Service was constituted on 5th November, 1990 under the administrative control of Ministry of Information and Broadcasting with a view to providing a specialised Programme cadre to the All India Radio and Doordarshan. This service was bifurcated media-wise and further divided into two streams comprising Programme Management and Programme Production. As such IB[P]S provides for four independent cadres, namely (i) Programme Management cadre of All India Radio, (ii) Programme Management cadre of Doordarshan, (iii) Programme Production cadre of All India Radio and (iv) Programme Production Cadre of Doordarshan. The initial constitution of the service was made by appointing officers holding corresponding posts in respective cadres in All India Radio and Doordarshan.

Our recommendations

48.35 We recommend that various posts in the Indian Broadcasting (Programme) Service may be placed in replacement scales corresponding to those recommended for analogous grades in other non-technical Group 'A' Central Services.

INDIAN CIVIL ACCOUNTS SERVICE

Introduction

48.36 Consequent upon the departmentalisation of accounts, the Indian Civil Accounts Service was constituted on 1-4-1977 to man the Group 'A' posts

in the Departmentalised accounting formations. Initially, the officers from Indian Audit and Accounts Service were derived and the first direct recruitment to this Service began from the year 1978. The officers of this Service are responsible for formulation of policies and procedures in matters of Government payments and accounting, and internal audit functions in the various Ministries/ Departments except Railways, Defence, Posts and Telecommunications, Space and Atomic Energy which have their in-house accounting set-up.

*Upgradation of
the post of
Controller
General of
Accounts*

48.37 The Controller General of Accounts (CGA) is the head of this service. In view of the specialised nature of the duties assigned to the CGA, his role and the multiplicity of functions, we recommend that the pay scale of this post should be upgraded to the replacement scale of pay corresponding to the pre-revised pay of Rs. 8000/- fixed and made ex-officio Special Secretary to the Govt. of India in the Department of Expenditure.

48.38 The issue of conversion of office of CGA into a full fledged Department of Accounts under the Ministry of Finance has been brought before us by the Memorandists. We feel that this may be considered by the Govt. in the light of functional justification and necessity.

*Integration of
Finance advice,
Budget and
Accounts
functions*

48.39 It has been stated before us that one of the major objectives of departmentalisation of accounts in Civil Ministries in 1976 was to improve the financial competence of Ministries. It is a distinct feature of the financial & accounting set up prevailing in the Railways, Telecommunication and the Deptt. of Posts where finance and accounts are combined at all levels in an integrated functional set up. This has not been the case with the Civil Ministries where the finance stream is managed under the "Central Staffing Scheme" and is separate from the Accounting stream which is manned by trained and qualified personnel at all levels. Accordingly, complete integration of financial advice, Budget and Accounts functions in the Civil Ministries at all levels has been sought.

*Our
recommendation*

48.40 We feel that the major objective of departmentalisation of Accounts was to improve the accounting competence of Ministries and Departments by creating an efficient and dedicated accounting organisation in-house as their intrinsic part. The scheme introduced a major change in the accounting arrangements. Departmentalisation had been introduced earlier in the Railways, Defence establishments and the Ministry of Supply. As a logical extension, the Comptroller & Auditor General was also relieved of the responsibility of compiling the accounts of all the Central Ministries and entitlement functions in 1976. These were entrusted to the Controller General of Accounts (CGA) instead. Financial advice functions are quite distinct from the Accounting and internal check functions for a variety of reasons. The Secretary to the Deptt. is the Chief Accounting authority of that Department. The system of financial advice envisages a degree of independence and it is precisely for this reason that there is a dual administrative control of both the concerned Secretary and that of the Secretary (Expenditure) over the FAs. FAs can represent directly to the Secretary (Expenditure) in cases of disagreement on financial matters. Apart from preserving the independence of the FAs, it would also be appropriate to utilise for the purpose the expertise available in various other organised services and ensure a wider zone of selection instead of confining this to the officers of a particular service. This objective is secured by including the posts of FAs in the "Central Staffing Scheme". It would, therefore, be neither appropriate nor

desirable to recommend that officers of the Departmentalised Accounts set-up alone should be appointed as FAs. The demand is not accepted.

Upgradation of two posts of Controller of Accounts

48.41 The Service Association has demanded upgradation of a host of posts in various grades. In view of their higher functional responsibilities and increased work load, we recommend upgradation of two posts of Controller of Accounts in the Ministries of Law & Justice and Food & Civil Supplies in the replacement scale of pay corresponding to the pre-revised scale of Rs. 5900-6700 as Chief Controller of Accounts.

Merger of ICAS into any other Accounts Service

48.42 The Indian Audit & Accounts Service was bifurcated in 1977 and the Indian Civil Accounts Service constituted. Even after nearly 20 years, the total strength of the ICAS has not crossed 199. This is too small a number for a viable Service. Further, the officers of the ICAS are confined in their experience to the Central Government offices in Delhi and their expertise is limited to maintenance of accounts. This has somewhat limited their horizons. We, therefore, recommend the merger of the ICAS into any other Accounts Service.

INDIAN COST ACCOUNTS SERVICE

Introduction

48.43 The Indian Cost Accounts Service is comparatively a young civil service and is manned by qualified Cost/Chartered Accountants. The officers of this Service are required to tender advice to various Ministries on a variety of complex cost and pricing related issues. This service is being administered by the Department of Expenditure, Ministry of Finance.

Chief Adviser(Cost)

48.44 The Chief Advisor (Cost) is the overall in charge of the Cost Accounts Branch, Ministry of Finance, which serves as a consulting organisation for the Central Govt. for resolving issues relating to costing, escalation on contracts, resolving disputes on price fixation between the Govt. and the public sector organisation etc. Keeping in view the functions and responsibilities of the Chief Advisor (Cost), we recommend the upgradation of the post as ex-officio Special Secretary to the Govt. of India in the replacement scale of pay corresponding to the pre-revised scale of Rs. 8000/- p.m.

Provision of direct entry at STS level

48.45 It has been argued before us that the existing provisions in the Recruitment Rules which provide for filling up of 25% posts at STS level through direct recruitment are not in conformity and semblance with the provisions of other Organised Group 'A' Services. Having considered this issue in its totality we feel that since this is a service of qualified professionals whose demands outside the governmental set-up are manifold and with much higher emoluments, it would be desirable to retain this provision to enhance the attractiveness of service for qualified professionals.

Upgradation and encadrement of some key posts

48.46 To streamline the cost accounting work of various Departments/Ministries of Govt. of India, officers of this service have been specifically posted and attached in ten different Departments. The Cost accounting work pertaining to the other Departments/Ministries/Undertakings is being looked after by the Cost Accounts Branch, Ministry of Finance. We feel it appropriate to partially re-adjust the hierarchy at the top. This would not only help in better and systematic working of the officials but provide an umbrella for middle level ICAS

officers posted in other Departments as well. In view of the changed economic scenario, entry of multi-nationals into infrastructure/ core areas, extremely high investment/expenditure are being proposed and made in the sectors like Railways, Telecommunications, Posts, Steel & Mines, Power, Coal, Defence, Fertilizer. There is a strong need from the national point of view to monitor the profitability aspect of such huge investments being made in these sectors. Accordingly, we recommend the following :-

- (i) Upgradation of one cadre post of Advisor(Cost), Cost Account Branch, Ministry of Finance as Addl.Chief Advisor(Cost) in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-7600.
- (ii) Upgradation of the posts of Member (Finance), Bureau of Industrial Cost and Prices, Ministry of Industry in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600 and its encadrement in the ICAS Cadre .
- (iii) Upgradation of a post of Director (Cost) each in the Deptt. of Company Affairs, Ministry of Law, Department of Defence Production, Ministry of Defence and Ministry of Food in the replacement scale of pay corresponding to the pre-revised scale of Rs. 5900-6700 as Advisor (Cost).

INDIAN CUSTOMS AND CENTRAL EXCISE SERVICE

Introduction

48.47 The Organisation of Indian Customs and Central Excise is a part of the Department of Revenue of the Ministry of Finance. The Central Board of Excise and Customs (CBEC) is the apex body of Central Excise, Customs and Narcotics Department which is headed by the Chairman, CBEC and the Board comprises of five other members. The post of Chairman and Members are ex-cadre posts for the Central Excise & Customs Service.

*Upgradation of
Chairman and
Members of
CBEC*

48.48 The officers of this Service are entrusted with the task of collection of the much needed revenues through indirect taxes, notable among them being customs and excise duties and tax on services. The Service Association has advocated the upgradation of the post of Chairman, Central Board of Excise and Customs, who is presently an ex-officio Special Secretary to that of Principal Secretary to the Government of India with encadrement in the Indian Customs & Central Excise Service. It has also been demanded that the posts of Members of CBEC be upgraded in the pay and rank of Secretary to the Govt. of India while being encadred in the Indian Customs and Central Excise Service.

48.49 This service is one of the few Organised Group 'A' Central services in which the top technical posts of the concerned Department are not in the cadre. We recommend the encadrement of the post of Chairman, CBEC in the IRS. It is also recommended that posts of Member may be upgraded in the replacement scale of pay corresponding to the pre-revised scale of Rs.7600-8000 and be encadred in the ICCES.

*Demand for
separate Chief
Commissionerates
for Excise functions*

48.50 There are 12 posts of Chief-Commissioners/Director General in the HAG level available for the service officials. Out of these, 8 officers are responsible for field functions and are designated as Chief-Commissioners. These are located at Mumbai (2 officers), Calcutta, Chennai, Baroda, Kanpur, Hyderabad and Delhi (one each). The remaining four officers are designated as Directors General of Inspection, Revenue Intelligence, Vigilance and Training respectively. The field level Chief-Commissioners supervise both the Customs Wing as well as Excise Wing in all Chief Commissionerates, excepting Mumbai where Chief-Commissioners supervise the work of Customs and Excise Commissionerates separately. It has been demanded that due to increased magnitude of work the job of supervision of Customs & Excise be segregated at the level of Chief Commissioner in the remaining Chief Commissionerates.

*Our
recommendations*

48.51 There are separate acts governing the levy and collection of excise and customs duty (Central Excise Act 1944, Customs Act 1962). Presently, up to the level of Commissioners the job of two wings has already been segregated and different Commissionerates are operating for the purposes of customs duty and excise duty. Keeping in view the increased magnitude of workload pertaining to Customs & Central Excise within the jurisdiction of Chief-Commissioners at Delhi, Calcutta, Chennai and Baroda, we recommend upgradation of post of one senior most Commissioner each to Chief-Commissioner in the above four Chief-Commissionerates in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-7600.

*Non-functional
rank of Addl.
Deputy
Commissioner*

48.52 In most of the Gr. 'A' Central Service the promotion to STS from JTS is generally accompanied with a change in designation as well. Moreover, the promotions from JTS to Selection Grade level generally involve passage through three sets of distinct promotional designations (functional or non-functional). In case of Indian Customs & Central Excise Service officers, this promotion is totally non-functional and the officers continue to perform the same job for a continuous period of 9 years or more with the same designation, which is not the case with a host of other similar Gr. 'A' Civil Services. We recommend the introduction of a non-functional rank of Additional Deputy Commissioner corresponding to the STS level.

*Special allowance
for Revenue
officials*

48.53 Sanction of Special Allowance amounting to 10% of basic pay for all 'Revenue Officers', in consideration of the discharge of essential functions, resource mobilisation and combating economic crimes coupled with the dire need for a very high standard of integrity, has been demanded.

*Our
recommendation*

48.54 We are convinced of the fact that each and every Central Service has been constituted to perform a specialised role assigned to them and officers are expected to deliver their best with the utmost sincerity, devotion and integrity. Grant of special allowance on account of this for the officers belonging to any Service is neither justified nor appropriate.

INDIAN DEFENCE ACCOUNTS SERVICE

- Introduction* 48.55 The Indian Defence Accounts Service caters to the in-house accounting, financial advice needs of the three Defence Services, DRDO, Border Roads Organisation, Ordnance Factories and other inter-services organisations.
- Controller General of Defence Accounts* 48.56 The Controller General of Defence Accounts is the Head of the Indian Defence Accounts Service and functions as Internal Financial Adviser and Chief Accounts Officer to the three Services Chiefs. CGDA is fully involved by the Ministry of Defence in policy formation on all matters relating to pension, delegation of financial powers, accounting procedures, changes in terms and conditions of work contracts and procedures on Internal Audit for Defence and their update. We recommend the upgradation of the post of CGDA in the replacement scale of pay corresponding to the pre-revised pay of Rs. 8000/- (fixed) equivalent to the Special Secretary to the Govt. of India.
- Financial Adviser (Defence Services)* 48.57 The Financial Adviser (Defence Services) heads the Finance Division of the Ministry of Defence which comprises three main Departments, namely, Department of Defence, Department of Defence Production and Supplies, and Department of Defence Development and Research which are each headed by a Secretary to the Government of India. The IDAS Association has put forth a view that the Indian Defence Accounts Cadre should have an exclusive right to man the post of Financial Adviser (Defence Services) and restoration of its pay to Rs. 8000/- in the pre-revised scale which was earlier accepted and implemented by the Govt. of India on the recommendations of the Fourth Pay Commission. However, the same got downgraded later on. Keeping in view the job responsibility and its pivotal role, which, inter-alia, requires specialised experience and knowledge in the field of Defence and Defence related subjects, we recommend that the post of FA(DS) should be manned by IDAS officers under the Central Staffing Scheme in the replacement scale of pay corresponding to the pre-revised pay of Rs. 8000/-.
- Addl. CGDA* 48.58 The Addl. Controller General of Defence Accounts (Audit) and Addl. CGDA (Inspections) assist the CGDA at the headquarters. Their role in providing payment, accounting and audit cover to the Defence Services has been increasing in terms of increase in budget, volume of transactions and complexity of functions. There has been a shift in emphasis from accounting as a means of expenditure control to an effective tool of management with a view to obtaining optimum utilisation of the resources in each of the budget centres. We recommend the upgradation of these two posts in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600.
- Regional Controllers of Defence Accounts* 48.59 At the field level there are five Regional Controllers of Defence Accounts who are co-terminus with the five commands of the Indian Army which are headed by the Army Commanders (GOC-in-C) in the pre-revised pay of Rs. 8000/-. The respective Army Commanders are assisted by an officer each in the rank of Rs. 7300-7600 as Chief of the Staff. On the same pattern we recommend the upgradation of these five Regional Controllers of Defence

Accounts in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-7600.

*Upgradation of
Internal
Financial Adviser*

48.60 Four Internal Financial Advisers have been positioned in each key service headquarters to assist the authorities. Upgradation of these 4 posts of Internal Financial Advisers has been demanded. The IFAs at Army Headquarters, Air Hqrs. and Naval Hqrs. have already been positioned by utilising some existing posts in the Defence Accounts Department giving additional charge to C.D.A.'s. Considering the size of the Defence Forces, Budget vastness and complexities of their Hqrs. organisational structures and functional responsibilities, we recommend for the upgradation of four posts of Internal Financial Adviser in the replacement scale of pay corresponding to the pre-revised scale of Rs.5900-6700.

INDIAN DEFENCE ESTATES SERVICE

Introduction

48.61 The Indian Defence Estates Service was originally constituted as Military Lands and Cantonment Service. This Service has been assigned the task of management of civic administration and local self-government in cantonments, developmental works in cantonments, administration of defence land, procurement of immovable assets and lands for defence purposes etc.

*Director General,
Defence Estates*

48.62 The Director General, Defence Estates is the Head of the Indian Defence Estates Service. In view of the existing command structure, we recommend the replacement scale of pay corresponding to the pre-revised scale of Rs. 8000/- equivalent to a Special Secretary to the Govt. of India.

*Directors of Field
Commands*

48.63 The Defence Estates Organisation has five functional field commands which are headed by the IDES officers of HAG/SAG level who in turn directly report to the D.G.(Defence Estates). The headquarters of Western Command, Eastern Command and Northern Command of Defence Estates Organisation are located at Chandigarh, Calcutta and Jammu respectively and are headed by Senior Administrative Grade level officers. These three functional commands are comparable to the Central and Southern Commands which are headed by a Principal Director each in the Higher Administrative Grade level. Keeping in view the functional justification and job responsibilities we recommend the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600 by converting the posts of Director in the three Commands into that of Principal Directors.

*Consultation with
UPSC in
disciplinary cases*

48.64 It has been brought to our notice that the Ministry of Defence has obtained exemption from consultation with the UPSC in respect of all disciplinary cases against the officers of IDES which needs to be reconsidered. The UPSC(Exemption from Consultations) Regulations, 1958 provide that in regard to disciplinary matters it shall not be necessary to consult UPSC before any punishment is imposed on civilian employees paid from the Defence Services Estimates. This exclusion is not specific to the officers of the IDES only as brought to our notice by the Association. Hence the status-quo may continue

THE INDIAN ECONOMIC SERVICE

Introduction

48.65 The Indian Economic Service was constituted with the objective of having an organized Group A Service to formulate and implement the economic policies and programmes of the country. The service is inter-departmental in nature and after a rigorous training programme, the young recruits are groomed to function as economic administrators and economic advisers and are posted in different Ministries.

Encadrement of Principal Adviser, Planning Commission

48.66 The IES Officers Association has represented that the post of Chairman, Commission for Agricultural Costs and Prices; Chairman, BICP, Special Secretary and Principal Adviser in Planning Commission etc., be encadred within the service as these are posts with predominantly economic functions and as some of these posts have been held by officers of the service at different points in time. We note that Planning Commission, in spite of being one of the major users of Indian Economic Service Officers, has not encadred any posts for the service officers at the higher levels. It is also noted that the 8 SAG level posts in Planning Commission encadred into the IES vide Order No 11015/1/90-IES, dated 1.2.91 as a part of their only cadre review and having the clearance of the Cabinet have still not been operationalized. In order to bring about a congruence between the functional needs and the legitimate aspirations of the members of the service we recommend that one post of Principal Adviser in Planning Commission carrying the replacement scale of Rs.8000 fixed and an ex-officio Special Secretary status may be encadred in the Indian Economic Service. We also recommend that all the eight SAG level posts encadred into the IES vide order No.11015/1/90-IES dated 1.2.91 in Planning Commission may be operationalized without further delay.

Encadrement of Advisers

48.67 The IES Association had proposed that the post of Economic Adviser in the Ministry of Civil Supplies, Ministry of Labour and Ministry of Railways as well as the post of Advisers in the Ministry of Finance at present in the scale of Rs.5900-6700 be upgraded in view of the enhanced duties and responsibilities attached to these posts. We agree with the position and recommend that the post of Labour and Economic Adviser in the Ministry of Labour and Economic Adviser in the Railway Board in the Ministry of Railways be upgraded and henceforth be operated in the replacement scale of Rs.7300-7600. One of the two posts of Adviser in the Ministry of Finance encadred in the Indian Economic Service may be upgraded and given the replacement scale of Rs.7300-7600. This post may be designated "Additional Chief Economic Adviser".

Representation of SAG level officers on Central deputation

48.68 The number of posts at the SAG level are rather inadequate in the IES and this is indeed a legitimate problem. Outstanding officers with even 28 years of service have not got their promotions to the SAG Grade. The demand for the extension of flexible complementing scheme (FCS) to the IES cannot be conceded as we are confining FCS to R&D professionals only. However, we feel that representation at the SAG level in the Central Staffing Scheme for the IES needs to be improved. Some preference for IES officers for manning certain kinds of posts with mainly economic content needs to be kept in mind.

Like other services the IES officers may also be considered for the post of Financial Advisers in Ministries. We also observe that while the Ministry of External Affairs has created a post of Secretary (Economic Relations) there is no specialized officer to assist him. We recommend that one post of Joint Secretary in the Economic Relations Division be earmarked for the Indian Economic Service.

*Encadrement of
SAG level posts*

48.69 A large number of posts with economic content, at the SAG level and above, is held outside the service either by contractual employees, lateral entrants or consultants, while officers from the service continue to stagnate. As a matter of general policy, all posts having economic content should be encadred within the Indian Economic Service. Some positions may be filled in by appointment of consultants or lateral entrants but this should be on the pattern of other disciplines in Government and to a limited extent only so as not to jeopardize the legitimate interests of IES officers. If officers of the service are at all found to be lacking in certain respects then we should try to improve the method of recruitment to the service, create greater opportunities for in service training both in India and abroad and take such other steps as are necessary to equip members of the IES to discharge the functions associated with the posts they are supposed to man.

*Encadrement of
Economic and
Statistical
Advisers,
Member
Secretary and
Chairman,
Forward Markets
Commission in
IES*

48.70 The IES Association has requested that posts like Economic Adviser in Ministry of Industry, Economic Adviser in Ministry of Commerce, Adviser Financial Resources in Planning Commission, Economic and Statistical Adviser in the Department of Agriculture and Cooperation, Chairman, Forward Markets Commission in Ministry of Civil Supplies, Member Secretary of Commission for Agricultural Costs and Prices and other posts as identified by the Jalan Committee may be encadred into the service, as these are posts with predominantly economic functions and hence naturally belong to the Indian Economic Service. We observe that these posts were originally not encadred and were allowed to be filled by direct recruitment as the service was still in its infancy. A large number of these posts has been held by IES officers at various points of time and is still held by them. Today the service is more than 31 years old and there are several capable officers within the service to man these positions. We, therefore, recommend that to begin with, the posts of Economic and Statistical Adviser in the Department of Agriculture and Co-operation, the post of Member Secretary, CACP and Chairman, Forward Markets Commission in Ministry of Civil Supplies may be encadred within the Indian Economic Service.

*Study leave of
IES officers*

48.71 We have elsewhere recommended that study leave for scientists be extended to 3 years. We recommend that the same provision be extended to the IES officers also when they go for a Ph.D or a related Degree. They may also be allowed to combine study leave with other kinds of leave up to a maximum of 48 months.

*Cadre structure
of IES*

48.72 We notice that while some of the woes of the service relate to inadequate cadre structure, other problems relate to an indifferent cadre management. We observe that at present the Indian Economic Service Cadre is being managed by a Deputy Economic Adviser in the scale of Rs 3700-5000 from within the service. In line with our recommendations for other Group A services for effective cadre management, we recommend that a J S level officer from within

the service should manage the cadre. We, accordingly, recommend that the existing post of Deputy Economic Adviser be upgraded and given the replacement scale of Rs.5900-6700. We also observe that in the case of IES there is an Indian Economic Service Board for ratifying all decisions pertaining to the cadre management of IES. Surprisingly not a single member of the IES is on the board. We recommend that at least two co-opted officers of the IES may be made members of the board for a period of two years by rotation. Also the decisions of the Economic Service Board should be made binding on the participating departments, as is the case with appointments made by the Civil Services Board. All control on cadre posts for review, upgradation etc., should vest with the Cadre Controlling Authority.

INDIAN INFORMATION SERVICE

Introduction

48.73 The Indian Information Service, which was originally known as Central Information Service, was constituted in March, 1960. It was renamed as Indian Information Service in 1987. The Service has been entrusted with the functions of dissemination of information on Government policies, programmes and activities through print, audio and visual media and providing feed back on the reactions of the people on Government programmes, policies and advising the Govt. on information policies.

External Publicity

48.74 It has been pleaded before the Commission that work pertaining to External Publicity should be transferred from Ministry of External Affairs to the Ministry of Information & Broadcasting for handling by the officers belonging to Indian Information Service.

Our Recommendation

48.75 We feel that the work relating to External Publicity in our Missions abroad is linked with the part of our foreign policy and may, therefore, not be divorced from the overall working environment of the Ministry of External Affairs. The officers involved in this work are expected to be well-versed with the finer nuances of the overall foreign policy, diplomacy and should be able to steer this work in the right direction, context and perspective. We feel that publicity work is highly inter-linked with the political and social and other aspects of the international relations for which the officers of the Indian Foreign Service are the most suitable to man this job. Accordingly, we reject the demand.

Additional Principal Information Officer

48.76 A request has been made for the upgradation of one of the posts of Additional Principal Information Officer, New Delhi to that of Senior Additional Principal Information Officer in the HAG scale of Rs. 7300-7600.

48.77 Presently there are four posts of Additional Principal Officers at the Headquarters in the SAG level. These Addl. PIOs look after the work of publicity of Railways, Finance, Defence Ministries and Administration and Coordination work respectively. Since Additional PIO (Admn. Coord) who looks after administration of coordination work of Headquarters besides helping the PIO in his day to day activities, we recommend that the post of Additional PIO (Coord) at headquarters may be upgraded as Senior Additional Principal Information Officer in the scale of Rs. 7300-7600 so that this officer can

effectively coordinate publicity and cater to administrative needs of the organisation.

*Director, Field
Publicity*

48.7 The Directorate of Field Publicity is one of the subordinate offices of the Ministry of Information and Broadcasting. This Directorate is presently being headed by a SAG level officer. It has been demanded that the post of Director, Field Publicity in the Directorate of Publicity should be upgraded to Rs. 7300-7600 with re-designation of Director General of Publicity.

*Additional
Director General,
Field Publicity*

48.79 The Director of Field Publicity has under him 22 Regional Offices headed by the officers of the level of JAG/SG and 258 Field Publicity Units. The Director has been entrusted with the responsibility of issuing directions from time to time and effective monitoring and evaluation of work of field units on a continuous basis. In view of the magnitude of the job and responsibility, we recommend upgradation of the post of Director as Additional Director General, Field Publicity in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600.

INDIAN ORDNANCE FACTORIES SERVICE

Introduction

48.80 Indian Ordnance Factories Service (IOFS) was constituted for the overall management of Ordnance Factories which provide sinews of self-reliant indigenous defence production capabilities of the nation. It comprises both the technical and non-technical posts. Technical posts constitute about 90% of the total cadre strength and are mainly filled through Combined Engineering Services Examination. The remaining 10% non-technical posts are filled through the Combined Civil Service Examination conducted by UPSC. About 84% of the total posts in the IOFS cadre are operational and the remaining 16% posts are for staff assignments.

*Upgradation of
post of
Member/D.G.,
OFB*

48.81 The Association has raised the demand of parity of pay scale of Members/Additional Directors General of the Ordnance Factories Board with Members in the Railway Board on the ground of comparable functions and responsibilities being performed by them.

48.82 In some Ministries of Central Government, Boards have been constituted on the basis of functional and operational requirements. These are Railway Board, Postal Board, Telecom Board, CBDT, CBEC and Ordnance Factories Board. The span of control, degree of autonomy and delegation of financial & administrative powers etc. vary among the different Boards. Among these Boards, the position of Railway Board is quite distinct and different from the rest, from the very beginning. We feel that any comparison with the Railway Board is not valid and justified. Having, however, due regard to the magnitude of the manufacturing activities of the Ordnance Factories and the span of control of the Members/Addl. DsG, we recommend upgradation in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7600-8000.

48.83 The Memorandists have sought upgradation of a number of posts from us. Having considered this issue, we recommend upgradation of the following three posts in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600 with the observation that the other

proposals may be considered by the Govt. during the detailed cadre review on functional and administrative justifications:-

<u>Name of the Post</u>	<u>No. of Post</u>
1. Deputy Director General(Corporate Planning) at OFB Hqrs.	One
2. Deputy Director General (Ammunition and Safety)	One
3. Director, Ordnance Factories Staff College.	One

Unification of both the technical and non-technical streams of IOFS

48.84 The recruitment to the Indian Ordnance Factories Service is being made through two streams, i.e., the Technical and non-Technical. The incumbents thus selected through the two different streams maintain their respective inter-se-seniority up to the S.T.S level. The unification of both the streams takes place at the JAG level and a combined inter-se-seniority list is made at this stage which is solely based on the date of declaration of UPSC results.

48.85 There are certain inherent problems in regard to fixation of inter-se seniority between the officers of the two streams of IOFS. The present system seems to go entirely by the date of declaration of result of the respective competitive examination by the UPSC and to provide en-bloc seniority to one group of officers over the other. This is considered not the most appropriate solution. In case the results of both the examinations are announced within a reasonable period of each other, it would be most advisable to devise an appropriate formula for interspersing the seniority of the officers of the two groups on the basis of their usual ratio in the Combined cadre of IOFS.

INDIAN POSTAL SERVICE

Introduction

48.86 The Indian Postal Service manages the vast domestic and international postal and mails net-work, money transfer and certain agency functions, banking transactions, life insurance, covering postal operations and administration. The Postal Services Board, the apex postal body, comprises a Chairman and three Members, assisted by the Member (Finance) of the Telecom Commission. The Secretary (Posts) is also the Chairman of the Board and also the Director General of Postal Operations.

Members, Postal Services Board

48.87 Traditionally, postal operations have been confined to achieving certain social objectives, without resort to commercial considerations. In recent times, however, economic liberalisation has resulted in a spurt in commercial mail traffic, requiring a different orientation, that has been brought out elsewhere in this report. Recognising the responsibilities of Members of this Board, in the new paradigm, we recommend that the scale of pay of the Members of the Board should be upgraded in the replacement scale of pay corresponding to the pre-revised scale of Rs.7600-8000.

Chief Post Masters General

48.88 Postal Operations are organised into 19 Postal Circles headed by a Chief Post Master General each. In seven circles this post is operated in the HAG level whereas for the remaining twelve circles in the SAG level. Keeping in view the unique characteristics of high density and high per capita use of postal and its agency services and concentration of personnel, we feel that a higher order of

General supervision is required. We recommend the upgradation of three posts of Chief Post Masters General, namely at Maharashtra, Tamil Nadu and Madhya Pradesh in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-8000. We also recommend operation of the 7 posts of Chief Post Masters General in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-7600.

Better representation of Indian Postal Service under Central Staffing Scheme

48.89 The Service Association has also represented that a factor contributing to stagnation in the Service is due to lack of captive ex-cadre posts requiring their expertise at least in the fields of communications and movement of goods and services. We note that some of the Accounts, Revenue and Railways Services have this kind of a component for their respective cadres. We are also of the opinion that Postal and Mail expertise would be of immense use in services relating to both the above fields claimed by the Service. We accordingly recommend that Ministries and Departments concerned should consider Indian Postal Service officers on priority for manning such positions.

INDIAN POST & TELEGRAPH ACCOUNTS AND FINANCE SERVICE

Introduction

48.90 The Indian Post & Telegraph Accounts and Finance Service has been assigned the task of providing financial advice and financial management to the Departments of Posts and Telecommunications.

Member(Finance) Telecom Commission and Financial Adviser, Postal Services Board

48.91 One of the major demands made by the Service Association was the encadrement of the post of Member (Finance), Telecom Commission and revival of the post of Financial Advisor in the Postal Services Board and its encadrement in the service. We feel that the Service is too young to provide an officer having the requisite seniority to fill the post of Member(Finance) which is in the pay and rank of Special Secretary to the Govt. of India. However, this post could be considered for encadrement in future when the service officers with the requisite eligibility, background and experience become available in-house.

Revival of the post of Member(Finance) as a cadre post

48.92 The post of Financial Advisor in the Postal Services Board was downgraded to the level of Joint Secretary earlier due to non-availability of suitable officers of the cadre. On account of the vast modernisation programmes being undertaken in the Deptt. of Posts which involve much larger investment decisions than hitherto coupled with an orientation to a market situation etc., we recommend for the revival of the post with due upgradation as Member(Finance) in the Postal Board in the replacement scale of pay corresponding to the pre-revised scale of Rs.7600-8000 as a cadre post of the Indian P&T Accounts and Finance Service.

Future structure of the service

48.93 The Service Association has requested for maintenance of the present structure of this service in the event of Corporatisation and Privatization of Telecom Sector, i.e., the status of its officers of this Service as Government servants.

48.94 The Department of Telecommunications has gone on record to state that there is no firm policy decision on corporatising the entire Telecom network. It has further been stated by them that the advent of private operators to

supplement the existing network is unlikely to have an adverse effect on the career prospects of the officers of the Indian P&T Accounts and Finance Service.

INDIAN RAILWAYS ACCOUNTS SERVICE (IRAS)

- Introduction* 48.95 The Indian Railways Accounts Service plays a pivotal role in the arena of financial management and management accounting network of Indian Railways.
- Encadrement of the post of Financial Commissioner (Railways)* 48.96 The Financial Commissioner (Railways) enjoys a special status in the Ministry of Railways. The in-depth knowledge of multi disciplinary working of Indian Railways is essential for manning the post. The IRAS is now a well established service and it would be best of combination of involvement, knowledge and independence if the post of FC (Railways), which is hitherto an ex-cadre post, is exclusively manned by the officers of IRAS. We recommend its encadrement in the IRAS.
- Upgradation of posts of Addl. Members (Fin & Budget)* 48.97 The Addl. Members in-charge of budget and finance in the Railway Board have to monitor the performance of the Accounts Departments of Zonal Railways, besides interaction with the General Managers on multifarious issues. We recommend upgradation of both the posts of Addl. Members in-charge of Finance and Budget in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7600-8000.
- Financial Director (L&FE)* 48.98 We have been moved for the upward revision of the pay scale of the cadre post of Financial Director (L&FE). In recognition of higher duties and responsibilities assigned to the post, we recommend that this post may be operated in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600.
- Re-designation of posts of Chief Cashier in Zonal Railways* 48.99 Re-designation of the cadre post of Chief Cashier in Zonal Railways as Deputy Chief Accounts Officer (Cash) has been sought. We feel that the proposed re-designation would be in conformity with a host of similar other designations in vogue in the Indian Railways.
- Administrative control of Finance Officers* 48.100 With a view to having independent Financial Advice, till sometime back, the administrative control of Finance Officers in Railways was with the senior officers of their own stream irrespective of their deployment or postings even in the functional Divisions or Zones. This included the writing of ACR's besides other things. This tradition was given up in order to integrate financial stream with the General Management in the Railways. Under this scheme all the posts of General Manager, Addl. General Managers, Divisional Railway Managers, Senior Deputy General Managers, Deputy General Managers etc. have been kept as ex-cadre posts for manning by the suitable officers of the eight organised Group 'A' services of the Railways including the IRAS. This integration, inter-alia, brought the Finance Wing under the full administrative control of the concerned Divisional or Zonal heads for all purposes including ACR writing.
- Modification in the ACR writing system* 48.101 It has been brought to our notice that given the nature of their job as internal auditors and financial advisers there is some prejudice against IRAS officers particularly in the evaluation of their suitability for holding general management posts in Railways. We appreciate the need to fully integrate the

finance officers in the mainstream of the administration. But at the same time we are aware of the critical need to enhance the credibility of the Government departments and agencies by ensuring their accountability to the people. In order to achieve the twin objectives of integrating railway finance officers into the mainstream and ensuring their professional independence, we recommend that the annual confidential report writing system be modified in a manner that the accepting authority of the report is always a finance officer in the hierarchy. Accordingly, wherever accepting authority is the executive officer, the same be modified to make appropriate finance officer as the accepting authority.

INDIAN RAILWAYS PERSONNEL SERVICE (IRPS)

- Introduction* 48.102 Indian Railways Personnel Service is a unique service as it is the only service amongst the Central Group 'A' Civil Services catering exclusively to the Personnel Management discipline in the Govt.
- Encadrement of posts of Member(Staff) and Additional Member(Staff)* 48.103 It has been brought to our notice that while officers of IRAS and IRTS have their established channels of promotion to the posts of Additional Member and Member in their respective streams, the Officers belonging to IRPS are devoid of such in-cadre promotional avenues. We recommend the encadrement of the posts of Member and Additional Member (Staff) in IRPS.
- Upgradation and re-designation of Executive Director(E.su.-IR)* 48.104 The Executive Director Establishment (IR) is responsible for maintaining good industrial relations all over Indian railways. He is required to frequently interact with both the major employees' federations on behalf of the Railway Board and deals with industrial relations policy at the Board level. We feel that this job should be handled at a fairly senior level by officers having sufficient maturity to deal with such sensitive issues. We recommend the upgradation of the post of Executive Director(Estt. I.R.) in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-7600 as Additional Member (Estt. I.R.).
- Early finalisation of recruitment and promotion rules* 48.105 It has been demanded that the rules of recruitment, induction and seniority of IRPS have not been properly defined, as a result of which officers belonging to other Group 'A' Railway Services have been allowed to join the IRPS at various stages. Even the officers belonging to the Group 'B' Services like RBSS have been given option to switch over to IRPS with seniority of their Group 'B' services in Group 'A' for the total length of their Group 'B' service, beside the promotion from various Group 'C' service as provided under Railway Rules on the basis of vacancies in the Zonal Railways. In order to streamline the cadre administration, we recommend early finalisation of the recruitment and promotion rules by the Ministry of Railways as per the guidelines prescribed by the DOPT.

INDIAN RAILWAYS TRAFFIC SERVICE (IRTS)

- Introduction* 48.106 The officers of this Service are responsible for management of transport services, business development and generation/ collection of revenues in the Indian Railways.

*Vertical split of
Cadre into two
streams*

48.107 The variety of functions performed by this Service officers cover two distinct streams, i.e., Operational and Commercial. Creation of a separate post of Member (Commercial) at Board's level and additional posts of ADRMs to look after the commercial matters at Divisional level have been demanded by the Memorandists.

48.108 We observe that the two streams have been carved out for the purposes of administrative convenience only and there is complete interchangeability of officers between them i.e. the traffic officers can work in operating as well as in commercial wing. We feel that the proposed vertical split in the cadre is neither justified nor appropriate.

*Upgradation of
three posts of
Additional
Member*

48.109 The Additional Members in the Railway Board are required to monitor the performance of PHOD's in the Commercial and Traffic departments of the Zonal Railways. In order to improve the managerial effectiveness at the top management level we recommend the upgradation of three posts of Additional Members in charge of Commercial, Commercial and Tourism & Traffic Transport in the Railway Board in the replacement scale of pay corresponding to the pre-revised scale of Rs. 7300-8000.

*Director, Traffic
Research
Directorate,
RDSO*

48.110 Traffic Research Directorate of the RDSO is providing support to all the Zonal Railways and is presently headed by a Director in the SAG grade. Present day transportation research activities require specialised inputs in the field of operational research. Upgradation of the post of Director of the Traffic Research Directorate, RDSO has been sought on the ground that the valuable experience gained by the officers should not be lost to RDSO merely on the ground that they have to be moved out on their turn for promotion to the next higher grade. We recommend this upgradation.

INDIAN REVENUE SERVICE (INCOME TAX)

Introduction

48.111 The Indian Revenue Service manages the administration of Direct Taxes in the country. They are responsible for administering wide gamut of fiscal laws like the Income Tax Act, Wealth Tax Act, Gift Tax Act, Interest Tax Act, Expenditure Tax Act, etc. Their immediate objective is to collect direct taxes and to detect and deter evasion. The Central Board of Direct Taxes is the apex body dealing with the matters pertaining to Direct Taxes. It comprises of a Chairman and five other Members.

*Administrative and
financial autonomy
for CBDT*

48.112 Grant of complete administrative and financial autonomy to the CBDT along with the status of a separate Department of Direct Taxes on the pattern of Railway Board has been advocated by the Service Association. Having carefully considered the issue in its totality we feel that the proposal to create a full-fledged Department would amount to a major systemic change and is neither appropriate nor justified.

*Upgradation of
the posts of
Chairman and
Members of
CBDT*

48.113 Upgradation of the post of Chairman of the CBDT from its present status of ex-officio Special Secretary to that of Principal Secretary to the Govt. of India in the pay as that of the Cabinet Secretary along with its encadrement has been advocated by the Service Association. We have also received

proposal for upgradation in pay and status of five Members of the CBDT to that of a Special Secretary level, duly reviving the post of Member(Judicial) in the CBDT

48.114 The posts of Chairman and Members of CBDT are the top level Departmental posts which could be occupied by an IRS officer. In tune with our general approach and in order to streamline the administrative structure of various Boards in the Government, we recommend the replacement scale of pay for the post of Chairman, CBDT and its encadrement in the IRS. We also recommend the upgradation the post of Members in the replacement scale of pay corresponding to the pre-revised scale of Rs.7600-8000 and their encadrement in the Service.

Revival of the post of Member(Judicial) in CBDT

48.115 Members of CBDT are responsible for (a) Investigation (b) Income Tax (c) Personnel and Vigilance (d) Tax policy and Legislation (e) Revenue and Audit. Till recently there used to be a post of Member (Judicial) who was responsible for all matters relating to tax litigation in Supreme Court besides the supervision of Gift, Wealth and other direct taxes work at the Board level. In addition, he used to supervise the work of all Chief Commissioners of one zone. In 1994, this post was abolished as part of an economy drive and his work was re-allocated among the remaining five Members. In view of the increased work-load with the passage of time both in the field of revenue collection as well as administration of tax laws, it would be desirable to revive the post. Accordingly, we recommend the revival of the post of Member(Judicial) in the CBDT in the replacement scale of pay corresponding to the pre-revised scale of Rs.7600-8000 along with its encadrement in the IRS.

Chief Commissioners of Income Tax

48.116 The Chief-Commissioners of Income Tax are responsible for the overall administration of Field Officers and for meeting the action plan targets relating to collection of taxes, completion of assessments, expenditure budget, public relations, filing of reference applications in the High Court, prosecution of tax-delinquents etc. Presently, there are 33 Chief-Commissioners of Income Tax in the Department. On an average each one of them supervises about 8 to 10 officers of the Senior Administrative Grade level. This span of control may not be conducive for effective supervision and control as close supervision and guidance even in individual cases at times becomes necessary. In order to achieve this, a post of Chief Commissioner each for States which are left out without having it has been demanded. Having considered this issue, we recommend the upgradation of a post of senior most Commissioner each in Orissa, Guwahati, and Haryana regions to that of Chief-Commissioner in the replacement scale of pay corresponding to the pre-revised scale of Rs.7300-7600.

Creation of an Armoured Security Force

48.117 The IRS Association has highlighted the requirement of an exclusive Armed Security Force for the Departmental personnel to provide protection to them specially during searches as their experience, in general, with the State Police or other para-military police has not been happy.

Our recommendations

48.118 Most of the Departments of the Central Govt./service officials are responsible for the enforcement of some Act or the other wherein raids/searches are taken recourse to. We feel that it would not be appropriate either administratively or financially to create a Central Police Force for exclusive use of a particular Department. A better coordination of the officers of the

Income Tax Department with local administration would be a more appropriate proposition instead.

48.119 IRS officers are designated as Assistant Commissioner in the Junior Time Scale. On promotion to the Senior Time Scale, they retain the same designation. This is changed to Deputy Commissioner at Junior Administrative Grade level only. It has been demanded that Senior Time Scale posts which are considered to be non-functional promotional posts of ACITs may be re-designated as Addl. Deputy Commissioners with the same statutory powers as those of ACITs

*Non-functional
rank of
Addl. Deputy
Commissioner*

48.120 It has been observed that like IC&CE Service, in Indian Revenue Service, too, the promotions from JTS to STS are non-functional and the officers continue to perform the same job for a continuous period of nine years or more with the same designation. We recommend the introduction of a non-functional rank of Additional Deputy Commissioner corresponding to STS level in the Service.

*Encadrement of
all Group 'A'
posts of CBDT in
IRS*

48.121 It has been demanded that all Gr. 'A' posts in CBDT including the post of Joint Secretary (Administration) be encadred in the IRS. Posts in the CBDT have been classified as 'technical' or 'non-technical' and only the non-technical posts are filled under Central Staffing Scheme. In our opinion, it would neither be desirable nor possible to earmark posts covered under the Central Staffing Scheme for any particular service. There are some technical posts with Secretarial designations in CBDT which are also covered under Central Staffing Scheme but while filling such posts preference is given to the officers of IRS. We have already recommended the encadrement of the posts of Chairman and Members of CBDT in the IRS Cadre. A proposal to post one officer of each Gr. 'A' Central Services as Deputy Secretary/Director or Joint Secretary in the concerned Ministry to look after the work of cadre control has been separately recommended by Commission. Hence, we do not recommend encadring all the Group 'A' posts of the CBDT in the Service.

INDIAN STATISTICAL SERVICE

Introduction

48.122 Indian Statistical Service was constituted by encadring statistical function posts in different Ministries/Departments of Government of India into the service. Since 1984, Department of Statistics, advised by the ISS Board, has been functioning as the Cadre Controlling Authority. Prior to this, cadre control functions rested with the Department of Personnel and Training. There has been no cadre review since the inception of the service in 1961. There is an acute stagnation within the service which has led to considerable amount of litigation and this has adversely affected the career prospects and morale of the ISS officers over the years.

*Encadrement of
Secretary,
Department of
Statistics*

48.123 Indian Statistical Service Association have demanded encadrement of the post of Secretary, Department of Statistics into the ISS. The Association have argued that the job assigned to the post of Secretary is primarily technical and specialised in nature which would be better performed by an in-house competent officer. While it may not be possible for us to suggest encadrement of this post into the Indian Statistical Service, we recommend that suitable officers

belonging to Indian Statistical Service may also be considered for manning this post.

*Upgradation and
encadrement of
DG, CSO*

48.124 The post of DG(CSO) in the scale of Rs.7300-8000 although an ex-cadre post has been held by ISS officers in the past. The ISS Association have demanded that the post of Director General, Central Statistical Organisation, should be upgraded to the level of Special Secretary and encadred into ISS. In view of the higher responsibilities attached to the post we recommend that the post may be given the replacement scale of Rs.8000 fixed and encadred in the Indian Statistical Service. The DG (CSO) would be ex-officio Special Secretary to the Government of India.

*Upgradation of
CEO in NSS*

48.125 The National Sample Survey Organisation is presently headed by a Chief Executive Officer in the pay scale of Rs.7300-7600. The ISS Association have demanded upgradation of this post to the scale of Rs.7600-8000. We, however, recommend that the CEO (NSSO) be given the replacement scale of Rs.7300-8000.

*Upgradation of
SAG level posts in
CSO and NSS*

48.126 The ISS Association have also put forth the demand for upgradation of several SAG level posts in the Central Statistical Organisation and National Sample Survey Organisation into the HAG level (Rs.7300-7600). Given the size of organisation and the responsibilities and duties attached to the posts of Director (National Accounts Division) and Director (FOD), we recommend the replacement scale of Rs.7300-7600 for these posts. We also simultaneously recommend upgradations of two non-functional selection grade posts, one each in the National Accounts Division and Field Operations Division to the SAG level in the replacement scale of Rs.5900-6700.

*Extension of PCS
to ISS cadre*

48.127 To streamline their career progression and given the technical nature of their job contents, ISS Association have proposed to us that Flexible Complementing Scheme should be extended to them. As we have confined Flexible Complementing Scheme to the Research and Development professionals in the scientific category, we are unable to accept their demand for Flexible Complementing Scheme.

*Transfer of
P.E.O. to
Department of
Statistics*

48.128 Programme Evaluation Organisation is currently under the administrative control of Planning Commission. ISS Association have suggested that this organisation be transferred to the Department of Statistics. We feel that the Programme Evaluation Organisation needs to be moved out of the Planning Commission as it is not proper for any evaluation organisation to be part of the set-up that recommends and designs the programme. We therefore, recommend that the location of the PEO may be examined by the Government separately.

*Extension of
coverage and
scope of
Collection of
Statistics Act
1953*

48.129 It has been alleged by the ISS Association that for want of legal and legislative teeth, the statistical system has been unable to provide timely and reliable data. They have proposed that the coverage and scope of the existing legislation i.e. the Collection of Statistics Act, 1953 should be widened to embody the entire non-agricultural sector of the economy. This would enable the officials to derive information from the concerned agencies in time, as they would be bound by the law to provide the same. We are of the view that there are various

aspects of the Collection of Statistics Act which make this a somewhat delicate proposition. The expansion in the jurisdiction of the Collection of Statistics Act has to be considered carefully in the light of the arrangement for and the cost of the associated enforcement machinery. The cost of enforcement would rise with the coverage of the Act to a large number of small and dispersed establishments. In this context, it is suggested that the whole matter should be gone into by the Government and decision taken after due examination.

THE INDIAN TRADE SERVICE

Introduction

48.130 The Indian Trade Service (formerly Central Trade Service) was created to cater to the requirement of a specialised cadre of officers to man the Import-Export Trade Control Organisation. In tune with the economic liberalisation of the Indian economy, the Imports and Exports (Control) Act, 1947 was repealed and substituted by Foreign Trade (Development and Regulation) Act, 1992. Under the new Act the Director General of Foreign Trade (DGFT) is responsible for advising the Govt. in formulating the Export and Import Policy and for carrying out the policy objectives. With increasing emphasis on relaxation of statutory controls, an increasing need is felt for augmenting the developmental role for promoting India's Foreign trade. Since the Indian Trade Service continues to be solely utilised by the DGFT, some basic re-structuring becomes the need of the hour.

Recommendations on key issues and important posts

48.131 Having carefully considered the demands made by the Service Association and in the above context, we recommend the following:-

- a) The Directorate General of Foreign Trade should be revamped into a nodal export development and promotion agency.
- b) Upgradation of the post of Export Commissioner in the replacement scale of pay corresponding to the pre-revised scale of Rs. 5900-6700 and its encadrement in the ITS. The cadre officers may start manning this post after expiry of tenure of present incumbent.
- c) Upgradation of the post of Joint DGFT(Policy) and Joint DGFT(Admn.) as Additional DGFT in the replacement scale of pay corresponding to the pre-revised scale of Rs. 5900-6700.
- d) Relocation of six posts of Deputy DGFT from the DGFT headquarters to the Indian Commercial Missions/ Commercial Sections of Indian Embassies in the countries where the utility of these officers is maximum so as to enable the existing set up to get the benefit of best technical inputs. The officers should be posted at appropriate level with commensurate representational status thereof.

De-reservation of cadre posts in JAG/SG level 48.132 An unprecedented reservation of 40% cadre posts in JAG/SG level of ITS exists for deputationists under the Central Staffing Scheme. The Indian Trade Service has been constituted as an Organised Group 'A' Central Service and there seems to be no special reason for keeping a specific reservation of 40% JAG/SG cadres posts of ITS for the Central Staffing Scheme in violation of general guidelines of DOPT on the matter. We recommend amendment in the existing cadre rules so as to enable the cadre officers to hold all the cadre posts in the Service.



सत्यमेव जयते

DETAILS OF ORGANISED GROUP A CENTRAL CIVIL SERVICES DISCUSSED IN CHAPTER 48

Sl.No	Name and Service Strength	Total Cadre	Number of posts in					
			JTS	STS	JAG & SG	SAG	HAG	Sp. Secy Level
1	Indian Foreign Service	630	109	234**	111	126	28	22
2	Indian Audit & Accounts Service	874	409	219	138	89	17	2
3	Indian Broadcasting (Programme) Service 1037	448	397	159	33	--	--	--
4	Indian Civil Accounts Service	199	70	68	36	20	5	--
5	Indian Cost Accounts Service	157	84	51	18	3	1	--
6	Indian Customs & Central Excise Service	1710	447	841	284	119	18	1
7	Indian Defence Accounts Service	412	198	107	64	37	5	--
8	Indian Defence Estates Service	134	43	36	36	15	4	--
9	Indian Economic Service	515	139	188	163	2555	--	--
10	Indian Information Service	493	203	105	27	2	1	--
11	Indian Ordnance Factories Service	1782	417	606	492	249	17	1
12	Indian Postal Service 378	172	232	89	74	11	--	--
13	Indian P&T Accounts and Finance Service	624	129	342	128	24	1	--
14	Indian Railway Accounts Service	1035	557	263	144	64	6	1
15	Indian Railway Personnel Service	704	433	163	79	29	--	--
16	Indian Railway Traffic Service	1516	821	329	238	112	15	1
17	Indian Revenue Service (Income Tax)	3294	1046	1096	790	328	33	1
18	Indian Statistical Service	529	260	143	116	9	1	--
19	Indian Trade Service	202	73	110	18	1	--	--

** Includes posts of JAG also

55 Includes 8 posts at the SAG level which have not been operationalised

Central Civil Services Group 'B'

INTRODUCTION

49.1 The Central Civil Services Group 'B' are the second level of command structure among the broad categories of Central Civil Services as discussed in the preceding chapter. Some of them are regular Group 'B' Services and others are isolated posts in Group 'B' scales of pay. In this chapter, we shall only consider a few general issues concerning Group 'B' Services. Specific issues pertaining to individual Group 'B' Services have been discussed in the relevant chapters. The only exceptions are the Civil and Police Services of the Union Territories, which are being discussed in some detail.

*Growth in
Numbers*

49.2 The growth in the number of persons belonging to Group 'B' scales of pay may be seen from the following Table :

Table : Number of Group 'B' Employees in the Central Government, 1957-1994

Year	Number (in lakh)	Annual Compound Rate of Growth over previous benchmark
1957	0.19	-
1971	0.46	6.5
1984	0.80	4.3
1994	1.36	4.9

Source: Data collected by various CPCs

Rate of Growth

49.3 It is clear from the above Table that the very high rate of growth between 1957 and 1971 was moderated somewhat in later decades. Basically, the high rate indicates a shift towards an officer-oriented system of administration, and to that extent it is not unwelcome. Part of the reason could be the reclassification of certain Group 'C' jobs as Group 'B'.

Optimisation of numbers

49.4 We have already set a target of 30% reduction in all other Services. In tune with the overall strategy, it is recommended that there should be an across-the-board 30% cut in the Central Civil Services Group 'B' cadres also. This can be achieved by adopting a multi pronged strategy of lesser annual intake, abolition of vacant posts, compulsory retirement of corrupt and incompetent officers and sending people home under the voluntary retirement scheme with the golden handshake.

Recruitment Procedures

49.5 Recruitment to Group 'B' services is generally made through a mixture of direct recruitment and promotion. Group 'B' cadres of the Railways are, however, filled up entirely by promotion. Wherever direct recruitment is resorted to, it is done through the UPSC and the Staff Selection Commission.

GENERAL ISSUES RELATING TO GROUP 'B' SERVICES

Career Progression

49.6 Currently, the career progression of the various Group 'B' Services is quite variable. Some of the Group 'B' Services, as for example, in the Income Tax Department and the Customs and Central Excise Department, are feeder Services to the corresponding Group 'A' Services. Others like the Central Secretariat Service, Railway Board Secretariat Service, Armed Forces Headquarters Service etc. have chances of promotion in their offices and some of them have even reached the levels of Joint Secretary, Additional Secretary and Secretary. Some Group 'B' Services are feeder to the All India Services, as for example the Delhi Andaman and Nicobar Civil Service and the Delhi Andaman and Nicobar Police Service. There are other Group 'B' Services which do not have good chances of promotion and tend to stagnate for a long time.

Demands of Associations

49.7 Most Associations of Group 'B' services have come up with similar ideas for improving their chances of career advancement. Their suggestions are as under :

- a) Most of them have demanded a Group 'A' status for themselves. They do not see any reason for the distinction between Group 'A' and 'B' Services to perform the same or similar tasks, and would like the Commission to do away with the artificial distinction.
- b) The second option favoured by them is the grant of the Junior Time Scale of the Group 'A' Service right away, instead of having to wait for being promoted in accordance with the laid down procedure, on occurrence of a vacancy from the promotion quota.
- c) Many of them have a feeling that, as and when they are promoted to the Group 'A' Service, they should not have to pass through the Junior Time Scale but should be directly inducted into the Senior Time Scale. They are encouraged in this demand because of the present position where in some Group 'B' Services such a career progression is already permissible.
- d) In some Group 'A' Services, Government have decided to reduce the induction of direct recruits but there is no corresponding reduction in the number of vacancies in the JTS arising every

year. The cadre controlling authorities insist that they would allow the promotion of only that number of Group 'B' candidates as are permissible according to the prescribed percentage of posts to be filled in by promotion, not as per the actual vacancies but in relation to the number of direct recruits taken. The Associations have demanded that full benefit of promotion should be allowed to them against the promotion quota. Some have gone as far as to demand that they should also be promoted on an ad hoc basis against the posts not filled up from the direct recruit quota. A few, who are being given such ad hoc promotions, want the promotions to be on regular basis.

Our recommendations 49.8 We have examined these suggestions and our recommendations are as follows :

- a) We are not in favour of abolishing the Group 'B' Services and converting them into Group 'A' Services. Group 'B' Services represent the fruition of the desire of those recruited to Group 'C' services to be part of an officer cadre. There are large numbers involved and they do perform a twin role - on one side, they provide promotion avenues and on the other they have a supervisory function. In the new classification of Services, they are being called Supervisory Personnel.
- b) We also do not favour wholesale induction of Group 'B' Services into the JTS of Group 'A'. If all Group 'B' Services are granted that scale, it would inflate the number of officers in JTS to an unnatural extent and all the calculations relating to model cadre structure would go awry.
- c) There is no justification for direct induction of promotees from Group 'B' Services into the STS of Group 'A'. We have, in fact, taken a policy view that there should be a gradual movement from the Group 'B' scale of Rs.2000-3500 to the STS of Rs.3000-4500. Such Services/Cadres where direct progression was permissible are now being asked to move through either the JTS or a new Group 'B' scale of Rs.2500-4000.
- d) As regards the promotion of Group 'B' officers to Group 'A', we feel that the policy being followed by the cadre controlling authorities to limit the number of promotees, taking into account the number of direct recruits, is the correct one. Departments which are granting them promotions based on vacancies or against the unfilled direct quota need to change their promotion policies.

49.9 We have, in our own way, tried to improve the chances of promotion of Group 'B' Services. This has been attempted in a number of ways:

- a) In all Group 'B' Services, the Assured Career Progression Scheme has been introduced. As against a required residency

period of 12 years and 10 years for Group 'D' and 'C' cadres, the residency requirement has been kept at only 8 years for Group 'B' cadres.

- b) For the Central Secretariat Service, Railway Board Secretariat Service, Armed Forces Headquarters Service etc. we have created a new rung in the scale of Rs.2500-4000. As a result, 25% of those in the scale of Rs.2000-3500 will immediately move into the higher scale of Rs.2500-4000.
- c) For the Railway Services, the scale of Rs.2375-3750 has been surrendered to Group 'C' cadres and all Group 'B' cadres have been moved up to Rs.2500-4000.
- d) Services like the DANICS, DANIPS, Pondicherry Civil Service and Pondicherry Police Service have been upgraded to Rs.2200-4000, and they have been given a fourth pay scale of Rs.4500-5700 for further career progression.

ISSUES RELATING TO CIVIL AND POLICE SERVICES OF UTs AND NCT OF DELHI

U.T. Civil Service (DANICS) and U.T. Police Service (DANIPS)

49.10 The U.T. Civil Service (DANICS) and U.T. Police Service (DANIPS) cater to the middle level civil and police administration needs of the N.C.T. of Delhi and UTs of Andaman and Nicobar Islands, Lakshadweep, Daman & Diu and Dadra & Nagar Haveli. The total authorised cadre strength of these services is 398 and 355 respectively. Posts in both these services are interspersed among three grades of pay, viz., Grade II (Entry Grade): Rs. 2000-3500; Grade I (Selection Grade): Rs. 3000-4500 and Junior Administrative Grade : Rs. 3700-5000. The posts earmarked under Grade I and JAG are classified as Group 'A' posts. The recruitment to the Entry Grade is made by direct recruitment and promotion from amongst suitable officers of the feeder grade.

Pondicherry Civil Service & Pondicherry Police Service

49.11 The Pondicherry Civil Service and the Pondicherry Police Service provide the middle level of Civil and Police administration in the U.T. of Pondicherry and are the feeder services for the AGMUT Cadre of respective All India Services. Their cadre strength is 62 and 14 respectively. On the pattern of DANICS there are three grades of pay for the Pondicherry Civil Service as against the two grade pay structure in case of Pondicherry Police Service. Fifty percent of posts of Entry Grade (Rs. 2000-3500) in both these services are filled by the Combined Civil Services Examination conducted by the UPSC and the rest by promotion.

Demands

49.12 All the above mentioned four Services have demanded an Entry Grade of Rs. 2200-4000 and standard Grades of pay upto Rs. 4500-5700 on the pattern of most of the State Governments including the neighbouring States who have already created such promotional avenues for their corresponding cadres. These services are feeder to the AGMUT cadre of the respective All India Services. The AGMUT cadre of AIS comprises of two distinct categories for the purposes of feeder Services to the AIS, namely the participating States and UTs including N.C.T. of Delhi. The participating States are Arunachal Pradesh, Mizoram and

Goa while the Union Territories are Andaman & Nicobar Islands, Pondicherry, Chandigarh, Lakshadweep, Dadra & Nagar Haveli, Daman & Diu and N.C.T. of Delhi. The State Civil/Police Services of all three constituent States have an entry scale of Rs. 2200-4000. The U.T. segment of AGMUT cadre has four distinct feeder Services, namely, the U.T. Civil Service, the Pondicherry Civil Service, the U.T. Police Service and the Pondicherry Police Service. The U.T. of Chandigarh is being manned by deputationist officers from the State Civil Services of Punjab and Haryana. In order to streamline the pay structure of the feeder Civil and Police Services, we recommend the entry grade of Rs. 2200-4000 followed by the grades of Rs. 3000-4500, Rs. 3700-5000 and Rs. 4500-5700 for these Services.

*Our
recommendations:
pay scales*

49.13 The introduction of a new grade necessitates some re-structuring of these cadres involving interspersing of existing posts among different grades of pay. We recommend the following revised uniform grade structure for these Services:-

Grade	Scale of Pay	Eligibility for Functional Promotion
Grade IV service	Rs.2200-4000	Entry Grade
Grade III service	Rs.3000-4500	8 years of total service
Grade II service	Rs.3700-5000	13 years of total service
Grade I service	Rs.4500-5700	18 years of total service

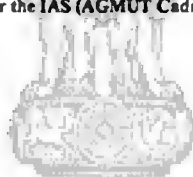
*Distribution of
posts*

49.14 We also recommend the following inter-grade distribution of posts in these Services:-

Grades of Pay	UT Civil Service	UT Police Service	Pondicherry Civil Service	Pondicherry Police Service
Rs.2200-4000	218*	213*	36*	7
Rs.3000-4500	75	71	11	4
Rs.3700-5000	75	44	10	2
Rs.4500-5700	30	27	5	1
Total	398	355	62	14

(* including existing number of authorised Reserves)

- Promotion quota* 49.15 The All India Services (Appointment by Promotion) Rules provide for a promotion quota of 33.33% of senior duty posts plus Central deputation reserves for the respective feeder cadres. It has been demanded that the state deputation, leave and training reserves should also be counted for the calculation of promotion quota, and the percentage should be raised to 50%. We feel that this is a larger issue which concerns all the feeder cadres to the AIS. There is no reason to interfere with the present arrangement. We recommend that the status quo be maintained.
- Joint Select List* 49.16 It has been argued before us that to the detriment of the interests of the UT Civil Service and UT Police Service, from 1988-89 onwards, the Ministry of Home Affairs have resorted to promotion of officers on notional allocation basis. This has enabled the Ministry to arbitrarily earmark the promotion quota vacancies for different constituents of the AGMUT Cadre, which bears no relation to the strength of different feeder Cadres. The Service Associations have demanded switching over to the 'Joint Seniority' system for such promotions. We feel that the promotions to the respective AIS, AGMUT cadre should be made on the basis of a 'Joint Select List' drawn batch-wise by including suitable officers of all the constituent feeder cadres.
- Earmarking of ex cadre posts* 49.17 The National Capital Territory of Delhi is one of the constituent units of the AGMUT cadre of IAS. One of the major grievances of DANICS officers has been that all the middle and top level ex-cadre posts in Delhi Administration are being filled by either the IAS officers of the AGMUT cadre or by officers on deputation from other cadres. This practically leaves little room for their officers to man even the middle level administrative posts in Delhi. We feel that all senior/top level ex-cadre posts in the National Capital Territory of Delhi should be manned by the officers of the IAS (AGMUT Cadre) and the middle level ex-cadre posts by the DANICS officers. Accordingly, we recommend earmarking of all senior/middle level ex-cadre posts under Delhi Administration for the IAS (AGMUT Cadre) and the DANICS respectively.



Engineering Services

Introduction

50.1 The organised engineering cadres are employed in almost all important departments/ministries of the Central Government. The Engineers are involved in diverse activities of manufacturing, maintenance and operation of systems. Major departments in which the engineering workforce is engaged are Railways, Defence, Communications, Water Resources, Power, Surface Transport, Urban Affairs & Employment (CPWD), Commerce (DGS&D), Industry, Science and Technology (Survey of India) and Mines (Geological Survey of India).

There is a wide variety in the functions and profile of the ministries and departments in which the engineers are engaged.

Role of engineers in Government

50.2 In the context of fast changing economic policy regime in the country and the imperative need to redefine the functions and role of the Central Government, we commissioned IIT, Delhi to study the 'Role of Engineering Personnel in the Central Government'. Indian Institute of Technology, Delhi in their report formulated following concerns in the light of the present national condition :

- "a) The nature of the engineering job in terms of its output is such that it is verifiable in an absolute sense (in terms of visibility) and in a relative sense (in terms of tangibility of outcomes and apparentness of failures). The issue therefore is about the nature of autonomy required and whether the requisite autonomy vests with engineers to function adequately.
- b) Of the engineering departments studied, the Military Engineering Service(MES) was entirely under the Central Government, the Ministry of Surface Transport and Railways fall under the Central Government where privatisation initiatives leave role spaces for both the Government and the private sector. There are engineering departments in the concurrent list of the Constitution - typically Water and Power. This raises issues of the nature of linkage between central engineering functions and state engineering responsibilities. All in all, the nine departments have

little in common save that they are all concerned with some engineering activities

- c) Regulatory and policy-making functions of the Central Government engineers are now in larger profile than ever before
- d) Given the changed economic scenario and organizational realities in the Government, the perceived quality of life arising out of employment in Government can act as an important attraction or deterrent in drawing competent engineers to these services.
- e) Given that the pay scale has protocol value in the Government, the issue of possible delinking of pay scale promotions to responsibility promotion remains one of the complicated ones. Identifying, rewarding and nurturing competence is the heart of the survival of a profession.
- f) Engineers, typically, also work in a 'project mode' while the corresponding Government machinery operates perhaps as a bureaucratic monolith grossly in need of redesign. The redesign will need to be in a matrix mode accounting for the special features of the activity in question. The engineering activity - project or programme or maintenance - needs a design of decision making which is responsive to concerns of the operating technology. What is required therefore is exploring the possibility of creating a "system caveat" to respond to the needs of an engineering function.
- g) Since the Government engineers' job entails technical as well as non-technical issues, the issues of competence in terms of a specialist and generalist gain attention. Left unaddressed they quickly degenerate into petty squabbles of "who reports to whom" or "who calls the shots. The 'generalist' vs. 'specialist' debate can be only one of a limited mileage and the real issue of personal competence of the incumbent becomes pervasive. The system design must account for this."

While analysing the present national economic scenario, the report makes the following significant observations :-

"The facts of the case are that reforms have not altered the extent of hierarchy in specific groups nor has the Government made any effort to change the status of such groups. An attractive tax package and an access to imports have been offered to the professional and urban middle classes. The prosperity of the former has not been harnessed for national development by making it amenable to income tax. The unionized worker continues to be a definitive variable in the industrial policy almost to the neglect of the issues of skill formation in a manner which is growth oriented. The dominant proprietary class, the industrialist, the rich farmer, and the professionals alike seem to be well poised to get the best out of the deal of the reform. The fiscal discipline which should have come in has

not taken place, and true competition in the domestic market has been restricted despite relative erosion of monopolies while protection of the domestic capital is still a matter begging attention. Liberalization of foreign direct investment to financial sector reforms is of course much projected. But how far this alters the role of the Central Government, as far as the actual running of the Government is concerned, in terms of the specifics remains really an imponderable question.

The conflicting preferences and compulsions seem to highlight a fairly simple situation, namely a higher than optimal fiscal deficit, GDP ratio, adversely is affecting the reforms all along the line. There is a clear upsurge in unemployment, the inevitable fallout of the reforms in the short run cannot be wished away, while talking of long term gains."

The report further notes highly sensitive concerns related to broadcasting and development of remote areas which cannot be abdicated to private forces and predicts that what is likely is that there will be a reduced role of the Government in operational decisions of various engineering departments with partial privatisation of some departments but with the Government continuing to control the key activities of these systems.

*Distribution of
Group 'A'
Engineering
Posts*

50.3 The distribution of Group 'A' Engineering posts in different scales of pay in major Departments and Ministries is given below:-

Ministry/ Department	Group 'A' Engineering Services								Total
	(Rs.) 2200- 4000	(Rs.) 3000- 4500	(Rs.) 3700- 5000	(Rs.) 4500- 5700	(Rs.) 5900- 6700	(Rs.) 7300- 7600	(Rs.) 7300- 8000	(Rs.) 8000 (fixed)	
CPWD	154	640	174	103	43	03	-	--	1117
Ministry of Defence	249	516	141	174	17	01	-	-	1098
Civil (B&R)	52	55	33	-	02	-	-	-	142
Arch. Wing	174	158	31(=)	-	03	-	-	-	366
Survey Wing									
Indian Naval Armament Supply Organisation	45	31	28 (=)	-	01	-	-	-	105
Ordnance Factory Board	352	556	487	-	208	06	09	01	1619
Border Roads Organisation	406	143	16	29	09	02	--	-	605
Ministry of Surface Transport (Roads Wing)	42	87	35	25	17	02	01	-	209
Ministry of I & B									
A.I.R	803	568	143 (=)	02* 24	05	02	-	-	1542
I.D.D	252	218	29	04	01	-	-	-	504
Civil Survey	771	60	14	-	-	-	-	-	845

Ministry/ Department	(Rs.) 2200- 4000	(Rs.) 3000- 4500	(Rs.) 3700- 5000	(Rs.) 4500- 5700	(Rs.) 5900- 6700	(Rs.) 7300- 7600	(Rs.) 7300- 8000	(Rs.) 8000 (fixed)	Total	
Electrical	90	19	03	--	--	--	--	--	112	
Ministry of Water Resources										
CWIS	289	260	101	68	33	04	01	--	756	
CPIIS	176	210	111 ()		35	06	01	--	539	
Ministry of Railways										
Civil	1363	647	469 }		147	18	--	01	2645	
Mechanical	790 9	378	322 }		105	13	--	01	1609	
Electrical	672	337	318 }(H)		76	08	--	01	1412	
S & T	493	291	191 }		62	07	--	--	1044	
Stores	346	231	122 }		56	04	--	--	759	
Department of Science and Technology (Survey of India)	92	154	74		06	01	--	--	327	
Ministry of Mines										
GSI (Mech.)	10	17	06		01	--	--	--	34	
(Drilling)	73	34	19		02	--	--	--	128	
Ministry of Communication										
Telecom	621	2268		520 (-)	232	20	04	--	3665	
Telecom Factories	28	29		10 --	03	--	--	--	70	
P&T Civil Wing	23	87		455 --	07	28	--	--	600	
Ministry of Commerce										
Inspection	48	46		21	05	01	01@	--	122	
Supply	37	43		28	10	02	--	--	120	
Wireless Planning and Coordination Wing (Department of Telecom)	65	20		06	02	01	--	--	94	
Total	8516	8103		3907	401	1111	129	17	04	22188
* Rs.5100-5700 \$ Rs.5900-7600 (H) Rs.3700-4500 + Rs.4500-5700 @ Rs.7600 (fixed) (*) including Rs.3700-5000 and Rs.4500-5700										

Most of these posts have been encadred in nineteen organised services. The cadre structural ratios and threshold analysis for promotions to higher level posts of these organised services as on 1.7.1995 have been mentioned in the discussion on individual Services below.

*Status and Role
of Engineers: Self
Perception*

50.4 The memoranda received by us from engineering cadres reflect, with a few exceptions, a universal sense of frustration and deprivation in respect of career progression and role in decision making. This perception is very acute among Group 'A' Engineering Services when they compare themselves with Group 'A' Civil Services and All India Services. The All India Federation of Engineers representing the Associations of Group 'A' Engineers and the Institution of Engineers have articulated the grievances and demands of Group 'A' Engineers. Important issues highlighted by the Federation and the Institution in their

memoranda and at the time of oral evidence before us are summarised below:-

- Erosion in the status and consequent exodus of Engineers to non-technical streams.
- The present differential between Engineering Services and general Civil Services and the colonial attitude of treating engineering as auxiliary service need to be addressed urgently.
- Realistic and pragmatic threshold levels for career progression should be formulated and structural ratios based on cadre reviews should be applied uniformly to all services.
- Obliteration of differentials and disparities in pay structure and promotion prospects so as to achieve equality amongst equals as enshrined in our constitution. There should be a unified salary structure for IAS, IPS and other Group 'A' Services. A system should be evolved whereby pay parity is maintained between engineering services and IAS, IPS, etc., belonging to the same year of examination.
- Formulation of a Unified Civil Service and initiation of job evaluation techniques for allotment of jobs at senior executive level and for advancement to higher grades.
- Formulation of a pragmatic pay structure commensurate with the pay of executives in the corporate sector so as to allow an honourable and decent standard of living free from want and economic stress.
- To ensure equal/equitable promotion opportunities for the personnel in the engineering services, a statutory authority for cadre review of engineering services headed by an eminent engineer should be established.
- All policy making positions in government should be open to members of the engineering services. At present because of the invidious eligibility criteria engineers are not being considered for such posts.
- The government's strategy for human resources development should include inter-linkage of career planning, career management and technical managerial training programmes for members of the engineering services.
- Engineers should be sponsored for higher studies and research to keep in touch with the latest technological developments. Suitable professional pay and allowances should be given for higher qualifications.

*Problems faced
by Engineers*

50.5 The All India Federation of Engineers has further pointed out certain problems faced by Engineers. These are:

- Ineffective planning due to non-participation of Engineers.
- Inadequate delegation of administrative and financial powers.
- Performance of same work by various departments/organisations due to concept of 'Attached' and 'Sub-ordinate' offices which are considered inferior to the main Ministries.

50.6 The Federation has suggested that there is need for setting up a nodal department for Engineering Organisations. This department must exercise control over physical planning, financial association, recruitment, promotion, training as well as inter-departmental transfers and posting of personnel including engineers and technologists, besides standardisation of specifications, codes, rules and procedures and their updation.

Comparison with Central Group 'A' (Non-Technical) and All India Services 50.7 A comparative study of structural ratios and threshold analysis of Central Group 'A' (Non-Technical), Central Group 'A' (Technical) and All India Services reveals the following:-

- i) With the exception of one or two departments, the Engineering Services are lagging behind Civil Services and All India Services in respect of career progression;
- ii) The promotion threshold levels for Senior Administrative Grade (SAG) and above are particularly disadvantageous to Engineering Services. This, characteristic, however, is shared by Central Group 'A' (Non-Technical) Services with Engineering Services vis-à-vis All India Services.

Engineers in Civil Services 50.8 It is presumably due to better career progression and status that there is a growing tendency among the Engineers to compete for and join the Civil Services. The available statistics from 1984 to 1986 indicate the following in this regard:-

Civil Services Examination		
Year	Total No. of Qualified Candidates	No. of Engineers qualified (%age of total in Brackets)
1984	814	132(16.22)
1985	790	128(16.20)
1986	856	168(19.63)

(Source: Report of the Committee to Review the Scheme of the Civil Services Examination, 1989, UPSC)

50.9 IIT, Delhi study referred to by us above, makes the following observations:-

"Until the early years of independence till 70s, Central Engineering Services offered coveted opportunities to engineers in terms of : social status, quality of life, career progression and professional challenge. These services attracted the best amongst the civil, electrical and mechanical engineers. There is clear evidence that there has been a progressive erosion of the attractiveness of the central engineering services. The best are no more attracted to these services and those who joined the services in the past have a general sense of unfulfilled expectations and demoralisation. They are concerned about lack of 'parity' with Central Civil Services (IAS and allied services) in terms of career progression, but more importantly, about the subservience to administrative and financial wings of the ministries and departments. This gives them limited space for creative work and professional satisfaction. The multi-layered decision making process results in large response time in decision-making which kills many initiatives and innovations and brings a bad name to the engineering profession. The net result is that while engineering is still a coveted choice with (10+2) students, the central engineering services are not.

The engineers in departments/ministries which have a higher level of autonomy and authority, such as, Railways and Telecom, have a higher

level of satisfaction as compared to engineers in other departments/ministries "

50.10 The number of engineers aspiring and joining Civil Services is significant. While there may be nothing wrong per se in technical personnel joining Civil Services, this trend nevertheless is not very healthy in the light of the fact that there would be almost fifty percent average gap between the requirement and out-turn of degree holders in Engineering and Technology in the country during 1995-2000 as estimated by the Institute of Applied Manpower and Research, New Delhi.

Requirement of Degree Holders in Engineering/Technology			
Year	Total Annual requirement during the year	Out-turn during the year (estimated)	Cumulative Gap
		18400	
1995	48390	56660	26670
1996	51300	56660	32030
1997	54370	56660	34320
1998	54370	56660	33340
1999	57640	56660	28900
2000	61100	56660	20800
Annual Average	56260		27780(49.38%)

(Source: Institute of Applied Manpower Research, New Delhi)

Our recommendations

50.11 We have given due consideration to the problems and demands raised by the Engineers. We have recommended following measures in general for improvement of career prospects of Group 'A' Services (including Engineering Services):-

Career Progression

- A minimum benchmark model cadre structure
- Time Bound Assured Career Progression(ACP) upto Non-Functional Selection Grade(NFSG) posts.
- Mandatory/Justiciable periodic Cadre Reviews.

50.12 Further, we have kept in view the need for retaining talent in government while deciding the pay scales of Group 'A' Engineering posts. We are convinced that the pay structure and other facilities/allowances recommended by us for Group 'A' Services (which will be applicable to Engineers as well) will, to a great extent, satisfy the aspirations of officers in government.

50.13 The provisions of assured career progression upto Selection Grade level recommended by us would bring a measure of parity among all Group 'A' and All India Services. We, however, do not think that the concept

of 'Batch Parity' put forth by the representatives of the Engineering Services is feasible of implementation.

50.14 Although some of the Central Engineering Services are too specialised, there is a clear case for an All India Engineering Service for those generalised engineering services that are common both to the Centre and the States. The Government could begin by amalgamating the posts of engineers looking after roads, buildings, irrigation and public health schemes. Such an AIS would automatically confer status and prestige to the Engineering Services in general.

*Nodal
Engineering
Department*

50.15 We have considered the issues on unified salary structure and Unified Civil Service in relevant Chapters of our report. Similarly, the larger issue of re-structuring the government machinery in the light of emerging economic imperatives has been dealt with separately in the relevant Chapters. However, we do not think that the proposed creation of a nodal department for engineering organisations is feasible due to high degree of diversity among government departments and the need for them to control their resources.

*Training and
Skill updation*

50.16 We are of the view that training and updation of skills and knowledge are very crucial for all government officers in a modern technological world. We find that in some engineering cadres (as in Railways) no training reserve is provided. We recommend that the training reserve within the limits suggested by us in the model cadre structure be provided for all Engineering Services. We also recommend that the government consider including the engineering services in the Foundation Course for all Civil Services. We also endorse following suggestions made by IIT, Delhi in their study in this regard for acceptance of the government:

- An initial training module covering orientation to Central Government rules/regulations/procedures and management principles and practice, should be organised for all engineers selected to Central Engineering Services.
- The in-service programmes of life-long learning through short and long-term training modules, covering both the technical and the management aspects, should be organised and made a pre-requisite. A long-term module of training, should be made an essential requirement for every promotion. Training programmes should be designed to be consistent with the level of knowledge and skill required, which should be identified. The programmes should cover technology, planning, interface management, development process, legal aspects, information technology, etc.
- The performance during training should be documented and considered in career progression.
- Higher education leading to advanced degrees/diplomas, and participation in conference/seminars/symposia should be supported and encouraged.

Membership of professional bodies should be encouraged by way of reimbursement of membership fees.

*Accredited
Engineers*

*Our
recommendations*

50.17 We have received a suggestion that there should be registration for engineers as for doctors and lawyers before they are allowed to take up professional activities and that the key posts of engineering and technological departments should be manned by such engineers and not by general officers. We consider this suggestion for accredited engineers to be a good idea and endorse it for acceptance of the government. However, we are of the opinion that the selection of engineering officers for key posts in engineering and technological departments should follow the normal rules and no special consideration can be given to accredited engineers in this regard.

*Demand for
Allowances*

50.18 The All India Federation of Engineers have represented to us for following allowances for engineers:-

Post Graduate Allowance

- (a) As in the case of medical profession, a monthly allowance of Rs.500, Rs.750 and Rs.1,000 for acquiring respectively a post-graduate diploma, a post-graduate (M.Sc./M.Tech./M.E./M.I.E.) degree and a doctorate or fellowship of the Institution of Engineers.

Design and Planning Allowance

- (b) A monthly Design and Planning Allowance of Rs.1,500, Rs.1,000, Rs.750 and Rs.500 respectively for SAG Officers, JAG Officers, Senior Scale Officers and Junior Scale Officers.

Field Duty Allowance

- (c) A Field Duty Allowance on the same scales as the Design and Planning Allowance for those engaged on field duties, involving additional physical effort and skills as well as mental strain.

Extra Duty Allowance

- (d) A monthly Extra Duty Allowance of Rs.1,250, Rs.1,000, Rs.750 and Rs.500 respectively for SAG, JAG, STS and JTS Officers since an average field engineer performs four hours daily of overtime work.

Permission for Consultancy or Non-Practising Allowance

- (e) In order to ensure the availability of the specialised knowledge of engineers to the society at large, the present restrictions on engineers rendering consultancy services should be removed and greater freedom and flexibility provided. If this is not possible, a Non-Practising Allowance equal to 50% of the pay without any ceiling should be paid.

Reimbursement of fees for membership of professional bodies

- (f) Fees paid by engineering personnel for acquiring membership of various professional bodies (Institute of Engineers, Indian Road Congress, etc.) should be reimbursed treating such membership as an additional qualification.
- (g) Conveyance allowance

*Our observations
and
recommendations*

50.19 We make the following observations/recommendations on the demands of the Federation for various allowances:-

The general scheme to grant lump-sum incentive for acquiring higher qualifications in government for Group 'A' will be available to all Group 'A' Engineers in government.

Design and Planning allowance for officers posted in Central/ Headquarters Planning/Design Wing may be granted at the following rates:-

Designation	Existing (Rs/p.m.)	Proposed (Rs/p.m.)
Chief Engineer	Nil	1,250
Superintending Engineer	500	1,000
Executive Engineer	400	750
Asstt. Executive Engineer	Nil	700
Assistant Engineer	Nil	600
Junior Engineer	200	300

- Transport Allowance for Group 'A' officers as recommended in general will be available to Engineering officers.
- General provisions for reimbursement of fees of Group 'A' Officers for membership of two professional bodies be made applicable to Engineering officers.
- We do not consider demands for other allowances to be justified.

SUBORDINATE ENGINEERING CADRES

50.20 We have analysed in detail the recruitment qualifications and promotion pattern of employees in the subordinate engineering cadres in different Ministries/Departments.

RECRUITMENT QUALIFICATIONS - COMPARISON: NON-GAZETTED AND GROUP 'B' ENGINEERING SERVICES

[illegible]

Leyland, DK - Direct Recruitment, Pr - Promotion, PE - Junior Engineer, MES - Military Engineering Services, OF - Ordnance Factory, JTB - Junior Time Bode, NASO - Naval Armament Supply Organisation, TCEP - Combined Engineering Services Examination, AEZ - Assistant Executive Engineer, AE - Assistant Engineer, CPWD - Central Public Works Department, MES - Border Roads Engineering Service

SUBORDINATE ENGINEERING SERVICES : PROMOTION PATTERN

Department	No. of Posts in the pay scale of Rs 1400-2300 (DR posts in brackets)	No. of Posts (NG) in higher grades of Rs.1600-2440, Rs.1640-2900, Rs.2000-3200, Rs.2275-3500.	No. of Promotion posts as column 3	Percentage of Column 4 to column 5	Total of Columns 2 and 3	No. of Promotion posts reserved in Group 'B' gazetted rank of Rs.2000-3500/ Rs.2275-3750	Percentage of column 7 to column 6	Whether promotion of Group 'B' to STS Group 'A'
1.	2.	3.	4.	5.	6.	7.	8.	9.
CWQ								
• Civil Engineering Wing	3322 (3416)	NIL	- Pay Scale of Rs.1640-2900 in 3 yrs.	100	4883	2292	46.94	Yes
• Electrical/Mechanical	1361 (1220)		- Personal promotion to Rs.2000-3500 in 15 years.					
• Architectural Wing	Asst.(AD) (118) Arch. Asst. (18)	NIL	NIL	Nil	356	59	16.57	Yes
MINISTRY OF DEFENCE								
MES								
• Civil (Building & Roads) (B&R)	1780 (1602)	1554	1360	76.4	3334	1417	42.5	Yes
• Electrical & Mechanical (E&M)	1215 (1094)	844	739	60.8	2059	NA	--	No
• Architectural Wing	{ 538 (NIL) { 723 (Rs.1200-2040) ----- 1261	840	764	60.99	1307	40 (+118 DR)	3.06	Yes
• Survey Wing	1063	609	609	57.29	1672	120	7.18	No
Indian Naval Armaments Supply Commission								
• Factory	85 (21)	47	47	55.29	132	21	15.91	No
• Ammunition Workshop								
Ordnance Factory Board								
• Technical Cadre								
Roads & Roads Organisation	8604 (3730)	7129	7129	82.9	15733	1193	7.58	No
• Buildings & Roads	1060 (434)	612	551	52	1672	126	7.54	No
• Electrical & Mechanical	226 (57)	169	152	67.3	395	53	13.42	No
Dept. of Science & Technology								
Survey of India	1447 (Rs.1400-2600)	--	--	--	1447	359	24.81	Yes
Ministry of Surface Transport (Roads Wing)								
Civil Engineering	56	43	43	76.79	99	2 (+9 DR)	2.02	Yes

Department	No. of Posts in the pay scale of Rs.1400-2300 (DR posts in brackets)	No. of Posts (NG) in higher grades of Rs.1640-2660, Rs.1640-2900, Rs.2000-3200, Rs.2375-3500.	No. of Promotions posts in column 3	Percentage of Column 4 to column 5	Total of Columns 2 and 3	No. of Promotion posts reserved in Group 'B' gazetted rank of Rs.2000-3500/ Rs.2375-3750	Percentage of column 7 to column 6	Whether promotion of Group 'B' to STS Group 'A'
1.	2.	3.	4.	5.	6.	7.	8.	9.
Ministry of Information & Broadcasting								
• Civil	1096	Nil	- Pay Scale of Rs.1640-2900 in 5 yrs.	100	1096	317 (+344 DR)	47.17	Yes
• Survey of Works			- Personal promotion to the scale of Rs.2080 -3500 in 15 yrs.					
• Electrical								
• Broadcasting Engineers	11490	3109	3109	54.12	14599	1082	7.43	No
Ministry of Commerce								
• Inspection Wing	208	—	—	—	208	230	100.58	No
• Supply Wing	18	44	Not known	—	62 (134) + 94 (Non Engg. feeders by option)	30 (Total 61 posts)	19.48	No
Min. of Communication								
• Telecom	—	20461	10230	—	20461	14500	70.87	No
• Telecom Factories	445	—	—	—	445	87	19.33	No
• P&T Civil Wing	2224	- Pay Scale of 1640-2980 in 5 years. - Personal promotion to Rs.2000-3500 in 15 years (except in Arch. Wing)	—	100%	2224	1569	70.55	Yes
Ministry of Water Resource								
	773	Nil	—	—	914	338	36.10	No
Ministry of Power								
	—	171	—	—	171	92	53.80	No
Ministry of Railways								
• Civil Engineering								
• Mechanical Engg.	13338 (9317)	9720	8925	66.91	23058	1132	4.91	No
• Electrical Engineering	22103 (16577)	19393	18102	81.90	41496	799	1.93	No
• Signal and Telecom Engineering	9127 (6843)	7762	7208	78.97	16889	481	2.85	No
• Stores Department	4891 (2201)	3968	3662	74.67	8859	330	3.72	No
	4093 (1364)	3229	3229	78.83	7324	322	4.4	No

Based on the analysis above, we have made following important findings -

- 1) Diploma Engineers (Civil & Electrical) in CPWD, P&T Civil Wing, All India Radio/Doordarshan under the Ministry of Information and Broadcasting get higher pay scale (Rs 1640-2900) in a time bound manner, (5 yrs) and subsequently personal promotion to the pay scale of Rs. 2000-3500 (15 yrs). This pattern has recently been introduced in Building and Roads Wing of Military Engineering Service
- 2) There is partial direct recruitment of Engineering Degree holders in the pay scales of Rs. 2000-3200 and Rs. 2000-3500 under the Ministries of Railways, Information & Broadcasting and Commerce.
- 3) In following Ministries/Depts. Group 'B' are directly promoted to Group 'A' STS :-

Defence (Some organisations), P&T Civil Wing, CPWD, I&B, Surface Transport (CES Roads), Survey of India
- 4) There is large variation in the pattern of promotion within Group 'C' and from Group 'C' to Group 'B' posts.
- 5) The best three organisations in respect of promotions within Group 'C' are - CPWD, P&T Civil Wing, Ministry of I&B (Civil & Electrical) These three organisations have scheme of time bound promotions. The Worst Three organisations are: - Border Roads(B&R), I&B (Broadcasting), Indian Naval Armament Organisation
- 6) The best three organisations in respect of promotions from Group 'C' to Group 'B' are :
- Inspection Wing of DGS&D, Deptt. of Telecom, P&T Civil Wing. The Worst Three organisations are :- Railways, Roads Wing (Ministry of Surface Transport), Architectural Wing (MES)

*Demands and
Grievances:
Low Pay Scale*

50.21 The demands and grievances of the subordinate engineering cadres have been articulated by the Federation of Diploma Engineers. The Federation has made the following important submissions before us:-

The pay scales and the status of the engineers has been brought down over a period of time, the maximum damage being done by the Fourth CPC which granted the pay scale of Rs. 1400-2300 to Junior Engineers (Jes).

The recommendation of the Job Evaluation Committee (set up by the Ministry of Urban Development) that the Junior Engineers performed more arduous duties involving higher responsibilities as compared to Draftsmen Grade I were ignored and the Draftsmen Grade I were given the pay scale of Rs. 1600-2660. However, after a great deal of agitation the Junior Engineers of CPWD were given following scales:

Rs.1400-2300 at the entry level
 Rs.1640-2900 after 5 years of service
 Rs.2000-3500 after 15 years of total service

These pay scales were, however, not extended to the Junior Engineers working in other departments. In the meantime, the Supreme Court of India awarded the higher pay scale of Rs.2000-3200 to the Engineering Assistants of the Ministry of Information and Broadcasting who were earlier equated to JEs. The Federation demands that JEs should be given the initial pay scale of Rs.2000-3200 in present terms.

*Time-bound
higher pay scales*

The time-bound pay scales awarded to JEs of CPWD should be extended to all JEs. Following time bound pay scales be granted in present terms:-

Initial Pay Scale	Rs.2000-3200
After 5 years of service	Rs.2200-4000
After 12 years of service	Rs.3000-4500
After 17 years of service	Rs.4100-5300

The Federation would also suggest grant of a running pay scale for Diploma Engineers/Junior Engineers.

*Adverse impact of
Group 'A' Cadre
Review*

Implementation of cadre review proposals in respect of Group 'A' posts results in reduction of Group 'A' posts at the lowest level, adversely affecting the promotion prospects of Group 'B' officers and consequently of the Group 'C' engineers. Periodic cadre reviews in respect of Group 'B' posts and of Group 'C' JEs should also be undertaken simultaneously.

*Quota in Group
'A' posts*

For promotion of JEs 80% posts of Assistant Engineers should be filled up on the basis of seniority and remaining 20% by Limited Departmental Competitive Examination (LDCE).

- Further 50% posts of Executive Engineers should be reserved for Diploma Engineers (promotion from AEs to EEs)
- Thirty (30%) percent posts of Superintending Engineers should be reserved for Diploma holder JEs (promotion from EEs to SEs).

*Uniform Service
Conditions and
Designations*

- There should be common service conditions for Diploma Engineers all over the country in respect of their pay scales, designations, promotion prospects, status, etc.
- Diploma Engineers should be designated as Junior Engineers in all departments including Railways, MES, etc.

Gazetted Status

- Junior Engineers should be given gazetted status at initial level as in Bihar, Maharashtra, UP, Assam Govts grant this status after 5 years of service.

*Delegation of
Powers*

Necessary financial and administrative powers like granting leave to employees, sanctioning of estimates, purchase powers should be given to JEs.

Comments of the Ministries on Demands of the Federation

50.22 We have received comments from major Ministries and Departments on the pay scales of Diploma/Junior Engineers

- The Ministry of Urban Affairs and Employment has recommended that the pay scale of Junior Engineers at entry level be the replacement scale of Rs 2000-3200 and the scale of Assistant Engineer be granted after service of 10 years
- The Ministry of Railways has recommended a higher pay scale as the scale of Rs. 1400-2300 is also the pay scale of Master Craftsman and Mistries, who form the feeder grade for promotion to the post of Technical Supervisor. The Central Administrative Tribunal, New Delhi has directed Railways to refer this case to the 5th CPC.
- The Department of Telecom has proposed a higher pay scale for JEs than that of D'man grade I (Rs. 1600-2660) as the latter works under the Junior Engineers.
- Military Engineering Service, Central Water Commission and Central Electricity Authority have recommended the pay scale of Superintendent (Building&Roads) (B&R) and (Electrical and Mechanical) E&M grade I and II and the JEs to be given the same pay scale as the JEs of CPWD

Our recommendations

50.23 We have carefully considered the demands of the Federation and the views of the administrative Ministries/Departments in the light of our general approach on the pay scales of different professional/technical groups of staff and existing relativities between technical and non-technical categories. We have, as a general rule, decided to improve the initial recruitment pay scale of diploma engineers in government. We, accordingly, recommend following pay structure for engineering subordinate cadres:-

Pay scales

Existing (Rs.)	Proposed (in present terms) (Rs.)
1400-2300	1600-2660
1600-2660 *	1640-2900
1640-2900 *	1640-2900
2000-3200 *	2000-3500
2000-3500	2000-3500
2375-3500	2375-3750
2375-3750	2500-4000

* some of these are graduates in engineering, others are diploma holders.

50.24 These pay scales will apply mutatis-mutandis for diploma engineers in different cadres depending upon the availability of specific existing pay scales. We have also recommended specific pay structure for different engineering cadres.

Promotion scheme

50.25 We have evolved a time bound Assured Career Progression (ACP) Scheme in general for Central Government employees. This would be available to Diploma Engineers in government. In CPWD, Diploma Engineers, presently

recruited in the pay scale of Rs. 1400-2300, are granted higher pay scales of Rs. 1640-2900 after 5 years of service and personal promotion to the pay scale of Rs. 2000-3500 after another 10 years of service. In our opinion, it is not desirable or feasible to replicate this pattern of time-bound higher pay scale and personal promotion in other cadres due to following reasons:-

- i) This would de-link altogether the availability of posts for time-bound pay scales and personal promotion as in CPWD.
- ii) Total de-linking of posts and higher pay scales/personal promotions would disturb the existing cadre structure wherein posts are available at different levels as per functional requirements.
- iii) Non-availability of posts in a CPWD like situation would make it difficult to work provisions of proposed Assured Career Progression Scheme.
- iv) The cadres which at present have functional posts at different levels may be put at a disadvantage with regard to further higher promotions if ACP upgradations are not followed by regular promotions against substantive posts at intermediate levels.
- v) The functional structure of CPWD which probably does not require posts of JEs in a hierarchy may not be suitable for other organisations which need a hierarchical structure.

Moreover, we are of the opinion that the provisions of ACP would obviate the need for introduction of any such scheme.

Cadre Review 50.26 We consider the demand for cadre review of Group 'B' and Group 'C' posts consequent to the adverse impact of Group 'A' cadre review, to be justified. We recommend that the Government immediately take up all such cases with a view to rectifying the adverse impact on Group 'B' and Group 'C' cadres. These reviews, however, will be subject to our overall strategy of rightsizing the Government machinery.

Promotion on Seniority basis 50.27 We do not consider it feasible to prescribe a uniform percentage for promotion on seniority basis and by LDCE as demanded, due to peculiarities of different cadre structures and variation in promotion patterns noted by us above.

Quota in Group 'A' posts Designations 50.28 Similarly, we consider that the reservation of posts of Executive Engineers and Superintending Engineers for Diploma Engineers is not justified on rational considerations.

50.29 The Ministry of Railways has recently changed the designations of diploma engineers to conform to the common prevalent designation of 'Junior Engineer'. We have noted and suggested changes in designations in specific recommendations on different cadres subsequently in this Chapter. We would, however, endorse the demand of the Federation for consideration of different administrative Ministries/Departments for acceptance of common designations of 'Junior Engineer', Assistant Engineer, etc.

Delegation of powers 50.30 In our opinion, the delegation of financial and administrative powers to Junior Engineers is an administrative matter and must be decided by individual Ministries/Departments

Demand for Allowances 50.31 The Federation has made demands for following allowances for Junior Engineers -

- Planning and Design Allowance
- Hard Duty Allowance
- Conveyance Allowance
- Project Allowance
- Field Duty Allowance

Our recommendations 50.32 Our recommendations/observations are as under -

Planning and Design Allowance to Engineers/Sub-ordinate engineering staff posted in Central/HQs planning-design wing has already been recommended by us.

- Transport Allowance as proposed by us in general for Central Government employees would be granted to Diploma Engineers.
- Project Allowance at following rates has been proposed by us to be granted in general to all eligible Central Government employees:-

Pay Range (Revised pay scales) (Rs.)	Project Allowance Rs. per month
Below 3000	150
3001-4999	300
4500-5999	450
6000-8999	600
9000 and above	750

This would cover Diploma Engineers as well.

We do not consider demands for other allowances to be justified.

DRAWING OFFICE STAFF

50.33 The Drawing Office Staff includes Draftsman, Design Assistant, Tracers, etc. The pay scale-wise break-up of posts of Drawing Office staff in major Ministries/Departments is as under -

Scales	EME/DTE	EXQA/ DTM&P (A/R)	NHQ	MES	DRTG/ DRDO	CP&D ARCH ENGR	MIN OF I&B	TOTAL
(Rs.)								
825-1500							Ferro Printers (23)	23
950-1400								
975-1540	Tracer (19)	Tracer (41)	Tracer (276)	Tracer (141)	Tracer (41)			549

1200-1800									
1340-2200									
1200-2040	17man (43)	17man Gr III (162)	17man (13)				17man Gr III (692)	17man Gr III (116)	1248
1320-2040						Tech 'A' (708)			
1400-2100	Sr 17man (22)	17man Gr II (316)	Sr 17man (59)	17man Gr II (538)	Tech Asst B (155)	Asst (A)J (318) Arch Asst (40)	17man Gr II (455)	17man Gr II (109)	2392
1400-2600									
1600-2660	Head 17man (24)	17man Gr I (170)	Head 17man (81)	17man Gr I (1578)			17man Gr I (223)	17man Gr I (85)	2161
1640-2900						Sr Tech 'A' (662)		Head 17man (1)	663
2000-3200	Chief 17man (12)	Chief 17man (61)	Chief 17man (1)	Chief 17man (254)			Chief Estimator (8)		336
2000-3500								Chief 17man (1)	1
2375-3500	Chief 17man (21)					Tech Officer 'A' (74)			
Total	128	978	452	2511	2028	358	1378	335	8147

PAY SCALES (Rs)	MIN. OF W. R.	MIN. OF S&T	MIN. OF POWER	MIN. OF AGR TPT	MIN. OF SURFACE COMMUNIC ATION	RLYS	TOTAL
825-1500							
950-1400		TT 17man					
975-1540		17man (8) Gr IV		Tracer (16)	Tracer (13)		177
1200-1800		17man (5) Gr III					
1350-2200		17man (8) Gr II (1330) (8)					
1200-2040	17man Gr III (62)		17man Gr III (34)	17man Gr III (23)	17man Gr III (18)	Asst 17man Gr III (1120)	1257
1320-2040							
1400-2300	17man Gr II (326)		17man Gr II (106)	17man Gr II (5)	17man Gr II (51)	Sr 17man Gr II (344)	1954
1400-2600		17man Gr I (207)					207
1600-2660	17man Gr I (244)		17man Gr I (80)	17man Gr I (2)	17man Gr I (26)	Head 17man Gr I (64)	1816
1640-2900				Head 17man (2)			2
2000-3200	Head 17man (1)		Head 17man (25)		Chief 17man (8)	Chief 17man (1960)	2332
2000-3500		Office Surveyor (359)					359
2375-3500 (*)							
Total	633	1896	245	48	118	406	8948
				Grand Total			17,095

(*) 40% Posts of the Chief Draughtsman
 (\$) Combined strength of 1330

*Pay Scales of
Draftsmen,
Arbitration
Award*

50.34 The 3rd CPC reduced large number of pay scales and recommended following five pay scales for Draftsman:-

Level	Pay Scale(Rs.)	Qualification for Direct Recruitment
I	260-430	Matric plus one year's service
II	330-560	Matric plus 2 - year diploma in draftsmanship or its equivalent
III	425-700	Matric plus 3 - year diploma in engineering or its equivalent.
IV	550-750	Degree in engineering or its equivalent
V	700-900	Degree in engineering or its equivalent with experience.

50.35 The Draftsmen of the Central Public Works Department (CPWD) dis-satisfied with the pay scales for Draftsmen, expressed their grievance and the matter was referred to the Board of Arbitration. The Board awarded the pay scales of Rs.330-560, Rs.425-700 and Rs.550-750 instead of the then existing three scales of Rs.260-400, Rs.330-560 and Rs.425-700 to Draftsmen in the CPWD. The Ministry of Finance issued orders for general implementation of the Award in 1984. In some departments the posts of Head/Senior Draftsmen in the pay scale of Rs.550-750 existed prior to the Award. The implementation of the Award, therefore, brought the Draftsman Grade I to the same scale of pay as that of the promotion post of Head/Senior Draftsman in Rs.550-750. The Fourth CPC only recommended replacement scales of pay for Draftsmen. The Associations of Drawing Office Staff have brought to our notice the anomaly created by the implementation of the Arbitration Award.

50.36 We find that in most of the departments, Matriculates with 2 - year diploma in draftsmanship are inducted in the pay scale of Rs.1200-2040. In some departments, engineering diploma holders are recruited in the cadre in the pay scale of Rs.1400-2300. The highest promotion grade generally available at present is Rs.2000-3200. There are exceptions to this general pattern - the entry grade in Survey of India, for instance is Rs.975-1540 and the highest grade available is Rs.2200-4000 under the Ministries of Defence, Water Resources, Agriculture and Mines. The Associations of Drawing Office staff have brought following more facts and made demands for our consideration:-

Demand

- There is no uniformity in the designations and promotion prospects of Draftsmen in different Ministries/Departments.
- Consequent on the implementation of Award of Board of Arbitration, certain percentage of posts in Directorate General of Quality Assurance/Defence, Research and Development Organisation (Ministry of Defence) which were in the pay scale of Rs.2000-3200 have been upgraded to Rs.2375-3500 as selection grade posts. Similar selection grade posts be created in other departments.
- In many offices/departments, the post of Draftsmen are isolated, with no higher grade posts for promotions. Such posts in different departments may be merged to form a cadre for improvement in promotion prospects
- The eligibility period prescribed for promotions to next higher grades in different departments is not uniform.

Inter-Departmental Group 50.37

We constituted and convened an inter-departmental group to consider the problems and issues raised by the Associations of Drawing Office Staff. Representatives of 20 Ministries/Departments participated in the deliberations of the group. Based on the discussions in the inter-departmental group and general principles of pay determination enunciated by us, we make the following recommendations for Draftsmen:-

Our recommendations

- i) There should be identical pay scales for posts with identical recruitment qualifications. Specific requirements of individual departments may be taken care of by the respective administrative ministries, which may, if justified, prescribe pay scales different from the general pay scales recommended by us below.
- ii) Introduction of an additional pay scale of Rs.2375-3500 should be decided by the concerned departments themselves on the basis of functional justification for posts in this scale and keeping in view the existing horizontal relativities of Draftsmen with other categories of employees.
- iii) Graduate engineers recruited against posts of drawing/design office should be placed in the pay scale of Rs.2000-3500 in present terms.
- iv) There should be uniform eligibility criteria for promotions in the cadre of Draftsmen. The first promotion after recruitment may preferably be considered after 3 years of service as already existing in a number of departments.
- v) There should be uniformity in designations and pay scales. We recommend the following:

Existing Designation	Existing Pay Scale (Rs.)	Revised Designation	Revised Pay Scale (In present terms) (Rs.)	Direct Recruitment Qualification
Draftsman Grade III	1200-2040	Draftsman Grade III	1320-2040	Matric + 2 yrs' Diploma in draftsmanship or equivalent
Draftsman Grade II/ Senior Draftsman	1400-2300	Draftsman Grade II	1600-2660	Matric or '10 + 2' - Diploma in Engineering or equivalent.
Draftsman Grade I/ Head Draftsman/ Chief Draftsman/ Chief Estimator	1600-2660 2000-3200	Draftsman Grade I Chief Draftsman	1640-2900 2000-3500	Degree in Engineering or equivalent

In organisations where the pay scale of Rs.2375-3500 is available at present, the revised pay scale of Rs.2375-3750 is recommended for such posts in present terms.

- (vi) All the Ministries/Departments except the Ministry of Surface Transport have opined that the posts of Tracers/Ferro-Printers are no longer required. These posts are presently in the pay scales of Rs.975-1540 or Rs.950-1500. We recommend that these posts be phased out since most of the departments have dispensed with tracing and ferro-printing functions. The Ministry of Surface Transport may consider retention of posts for some more time if absolutely

necessary.

- (vii) We have received suggestions that to motivate young Draftsmen to go for training in computers, certain incentive in the form of special pay be given on successful completion of training and to those Draftsmen who actually work on computers. We have not, as a general norm, favoured the idea of incentive in the form of special pay to those who learn and work on computers in government. However, we consider it desirable that all departments impart computer training to Draftsmen for using computer software like Computer Aided Design(CAD) and Computer Aided Manufacture (CAM).

50.38 We have made general recommendations on issues raised by Federations of Group 'A' engineers and Diploma engineers. We have also delineated a comparative position of recruitment and promotion patterns of different engineering cadres. We now propose to discuss the peculiar, individual problems of different services. During the course of this examination, we have suggested a few upgradations of posts in specific cases to underline the urgent need to improve the career prospects in these services. This should, however, be taken as a symbolic gesture on our part and should in no way be construed as an exercise of 'cadre-review'. We have also traced the subordinate service linkage of each individual engineering service and have suggested introduction of certain pay scales. In some of these cadres the pay scales of Rs.1640-2900 and Rs.2500-4000 have been recommended to be introduced within the general framework worked out above, in order to have a more gradual progression and broad uniformity in the pay structure of different cadres. The posts in such cadres have been proposed to be divided in the ratio of 50 : 50 at the level of Rs.1600-2660/Rs.1640-2900 as also at the level of Rs.2000-3500/Rs.2500-4000. This should be done by individual departments, where we have not done so. Such bifurcation is necessary to give the benefit of functional promotion. For Group 'A' posts we recommend pay structure identical to Group 'A' Civil Services posts recommended by us in the relevant Chapter.

MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT

- i) Central Engineering Service(CES)

	JTS	STS	JAG	NFSG	SAG	HAG
% age of total Duty Posts	10.57	58.77	16.28	9.94	4.12	0.32
Threshold as on 1.7.1995	—	—	1975	1968	1965	1961

ii) The Central Electrical and Mechanical Engineering Service

	JTS	STS	JAG	NFSG	SAG	HAG
%age of total duty posts as on 1.7.1995	9.43	61.79	25.94	—	2.83	00
Threshold as on 1.7.1995	—	—	1976	1967	1967	None

iii) The Architectural Cadre.

	JTS	STS	JAG	NFSG	SAG	HAG
% age of total duty posts	31.39	48.84	11.63	5.23	2.32	0.58
Threshold as on 1.7.1995	—	—	1977	1975	1964	NA

50.39 The break-up of posts in the services and threshold for promotions to higher posts have been noted above. The Association representing Central Engineering Service has brought to our notice the unprecedented stagnation at the Senior Time Scale(STS) Junior Administrative Grade(JAG) and Senior Administrative Grade(SAG) levels. They have suggested introduction of time-bound promotions upto Higher Administrative Grade (HAG) through batch parity with officers of All India Services and Group 'A' Central Services.

50.40 We find that a very high percentage of posts (58.77) in STS is due to provision of 50% posts at this level for promotion of Group 'B' Assistant Engineers for most of whom this must be the culmination of their career. The threshold levels of promotion present a dismal scenario for the Service. We have been informed that 4 more posts of Additional Director General (ADG)(HAG) and 13 posts of Chief Engineers(SAG) in addition to some posts at JAG level are now available after approval of latest cadre review proposals in 1995. This is expected to improve the career prospects of the Service. In addition, the general scheme of ACP upto NFSG would provide further relief to the cadre.

50.41 The number of Group 'A' posts of Engineers (other than Project Team) in CPWD depends upon work-load norms for creation of Divisions. The project posts would further depend on the nature and value of projects offered to CPWD for execution. The improvement in career prospects of the Service would thus depend a great deal on the increase in number of divisions and projects. However, following recommendations are made in accordance with the general approach discussed above to provide some relief against stagnation to Group 'A' organised services:-

*Our
recommendations*

- i) We do not find any merit in the demand for time-bound promotions upto HAG posts.

- ii) Two of the existing six posts of Additional Director General in the pay scale of Rs.7300-7600 be upgraded to the pay scale of Rs.7600-8000 in present terms.
- iii) The post of Chief Engineer(Training) in the pay scale of Rs.5900-6700 be upgraded to the level of Additional Director General in the pay scale of Rs.7300-7600.
- iv) The post of Joint Secretary(Works and Administration) in the Ministry of Urban Affairs and Employment should be filled by an officer of Central Engineering Service Group 'A', in order to assist the Secretary (Urban Development) who shall continue to be the Cadre Controlling Authority.

*Equivalence of
Superintending
Engineer with
Deputy Inspector
(General of
Police)(DIG)*

50.42 The Central Public Works Department (CPWD) has made some suggestions as noted below for our consideration:-

- i) To compensate engineers for extra time taken to acquire engineering qualifications compared to an ordinary graduate degree, it is suggested that the Central Engineering Service Officers be given two years ante-date vis-à-vis the officers joining All India Services and other Non-technical Services.
- ii) The pay scale of the Superintending Engineer should be equal to the pay scale of the DIG of Central Para-Military Forces (Rs.5100-6300), in view of well established parity of equivalence of the Superintending Engineer with the DIG of Police and the Commissioner in States and that of the Executive Engineer with Superintendent of Police and District Magistrate.
- iii) A selection grade be introduced at the level of Executive Engineer (STS) and abolished at the level of Superintending Engineer (JAG).

*Views of the
Ministry*

50.43 The Ministry of Urban Affairs and Employment has not endorsed the suggestions of the CPWD, made above. The Ministry has suggested that the existing equivalence of posts in the CPWD, namely Director General of Works to be equivalent to Secretary to Government of India, Additional Director General to be equivalent to Additional Secretary and Chief Engineer/Chief Architect to be equivalent to that of a Joint Secretary and Superintending Engineer to be equivalent to Deputy Secretary/Director should be maintained. The Ministry further maintains that there is no need for a selection grade at the level of Executive Engineer (STS) and abolition of selection grade at the level of JAG. The Ministry has not given any opinion on other suggestions made by the CPWD.

*Our views and
recommendations*

50.44 We have examined the suggestions of the CPWD in the light of the fact that barring a few cadres, most of the engineering Group 'A' cadres have an interface and relativities with other Group 'A' Central Civil Services. We do not consider it feasible to recommend different patterns of pay scales for Central Services (Technical and Non-Technical) for this reason. The pay scales recommended by us for Group 'A' Services in general, therefore, will be applicable to Engineering Services as well. We also endorse the views of the Ministry of Urban Affairs with regard to existing equivalence of posts in the CPWD.

*Pay scale for
Superintending
Engineers*

50.45 We would, however, like to make an exception only in the case of Superintending Engineers. It is a fact that the Second CPC had already established a parity between Superintending Engineers and Conservators of Forests by granting them both the scale of Rs.1300-1800. This parity was cemented further by the Third CPC which observed that "For the post of Conservators of Forests we recommend the scale which we have recommended for the Superintending Engineer grade of the Central Class I Engineering Service viz. Rs.1800-2000." For the selection grade of Conservators of Forest, the same Commission stated that "a selection grade of Rs.2000-2250 should be introduced for the Conservator of Forests, on the same principles as recommended for the Selection Grade in the Central Class I Engineering Service." Between the Third and Fourth CPCs, there was an upgradation of the first grade for CFs to Rs.1800-2000. Subsequently, the Fourth CPC merged the scales of Rs.1800-2000 and the Selection Grade of Rs.2000-2250 and gave CFs the single functional scale of Rs.4500-5700. The same treatment in spirit was unfortunately not accorded to the SEs who were given a JAG of Rs.3700-5000 and an NFSG of Rs.4500-5700. Taking into account the significant role of engineering services in the nation-building process and the fact that the promotion prospects in engineering cadres are rather bleak, we recommend that the NFSG of Rs.4500-5700 should be converted into a single functional scale for Superintending Engineers and the scale of Rs.3700-5000 should instead be the non-functional JAG for Exe.Engineers. However, in order to avoid too fast a rate of promotion in certain cadres to this grade, it is further recommended that promotions to the scale of Rs.4500-5700 would be permitted only on completion of 13 years of service in Group 'A'. Although the above recommendation is being made in the context of CPWD engineers, it is clarified that this dispensation will be available to all Engineering cadres in the Government.

50.46 We find that the average age of entry into Central Civil Services and engineering Services is the same. We, therefore, do not accept the suggestion to grant 2 years' 'ante-date' to Engineering Service officers.

*Electrical and
Mechanical
Engineers of
CPWD*

50.47 The Electrical and Mechanical Engineers of the CPWD have represented to us that the Directorate of the CPWD is insensitive to the aspirations and career problems of Electrical and Mechanical Engineers. The association of these engineers has alleged that despite phenomenal increase in their work-load and the contribution of Electrical and Mechanical Wing (E&M Wing) in several fields of highly specialised nature, the E&M Wing is discriminated against in respect of creation of posts based on accepted work-load norms and manning of senior management level posts (ADG and DG) of the department.

*Views of the
CPWD
administration*

50.48 The CPWD administration, on the other hand, has contested the claims of the association and has submitted the following for our consideration:-

- i) The role assigned to and expected from the CPWD in the government set up is that of a body responsible for construction of civil works and buildings, which necessarily requires a pre-dominant civil engineering input.
- ii) The Central Electrical and Mechanical Engineering Service (CE & MS) was all along considered to be a support service in the role assigned to the CPWD.

- iii) In most of the sophisticated installations, the job of Electrical and Mechanical Wing comprises of purchase of proprietary, or near proprietary, high cost fully factory assembled, or nearly fully factory assembled, installations. The work-load defined for an electrical division is normally laid down on the basis of normal routine electrical works like wiring work, which, at best constitutes about 20% of the building cost, and which necessarily demands a wider jurisdiction and a more spread-out work for an electrical division.

Our views and recommendations

50.49 We have considered the issues raised by CE & MS in the context of our general anxiety for redefining the norms for creation of establishment in construction agencies in general and our appraisal of CPWD works which we have seen during the course of our visits to various installations and projects

50.50 We are of the firm opinion that the general management posts of ADG and DG should be available to all eligible officers of CPWD irrespective of their Service. This has already been incorporated in the Recruitment Rules on the recommendations of Ranganathan Committee set up in 1976. In fact, DG/CPWD during official evidence before us informed that HAG posts are available to eligible E&M officers of CPWD and no E&M officer could become ADG so far for want of eligibility qualifications. The latest cadre review has provided 4 more posts of ADGs. It is, therefore, hoped that the eligible Mechanical and Electrical officers of CPWD will be elevated to HAG posts without any bias or favour, on merits. The Ministry of Urban Affairs and Employment must ensure that there is no discrimination against E&M officers in this regard.

Work load Norms: Inter-Departmental Committee

50.51 An Inter-Departmental Committee on work-load norms in Engineering Construction departments was constituted at our instance. This Committee has noted the following about CPWD:-

"C.P.W.D. is a department of Central Government operating through out the country and responsible for construction of all works and maintenance and repairs of all buildings financed from Civil-Works-Budget of Central Government. Execution of works and maintenance of Central Government buildings is done by the divisions of the C.P.W.D. The C.P.W.D. have Civil, Electrical and Horticulture Divisions and Architectural units. On Civil side of the C.P.W.D., there are i) Construction Divisions, ii) Maintenance Divisions and iii) Mixed Divisions - undertaking construction of works as well as maintenance of existing Government buildings. In 1965 or so C.P.W.D. declared some of the divisions as Strengthened Divisions. The Strengthened Divisions were sanctioned additional staff and the Executive Engineers were given enhanced financial powers. Up till 1988-89, out of 123 Civil Divisions of C.P.W.D. 107 Divisions have been declared Strengthened Divisions. The Divisions of C.P.W.D. are headed by an Executive Engineer.

At the instance of Committee of Secretaries, the study of C.P.W.D. was undertaken by Staff Inspection Unit (SIU) so that the staff can be reduced in a time bound manner or new services undertaken without increase in staff strength.

The requirement of Executive Engineers, Assistant Engineers and Junior Engineers is based on the basis of actual workload performed by the divisions. Similarly the manpower requirements of correspondence branch, accounts branch and drawing branch is based on the basis of actual work performed by the divisions.

Before the commencement of SIU study a suggestion was made to examine the feasibility of changing the existing financial output norms to physical parameters. It was found that the financial parameter is the only useful parameter for determining the performance of a division.

In order to neutralise the effect of rise in prices and inflation, financial norm is updated by relating it with the cost of construction index (C.I.). This updation is done at different intervals though no periodicity has been fixed. The formula adopted by CPWD for updating the norm is as follows:-

$$\text{New Norm} = \text{old norm} (1 + 0.75 \times (\text{C.I. New} - \text{C.I. old}) / \text{C.I. old})$$

SIU team has not been able to appreciate the logic followed in the above formula due to some inherent negative effect of revision of financial norm. To obviate this effect SIU has recommended that revision of norm should be done every year and it should be directly related to the increase/decrease in the cost of index on proportionate basis".

Our views

50.52 The Committee in its findings has rightly observed that the 'norms/yardsticks are generally outlay based and not on the basis of worth-of-charge'. It was precisely because of this reason that we had suggested review and rationalisation of norms which should be need based rather than on mere outlay for works. Noting recent changes in trends towards engaging outside agencies for the execution of works and the decision to permit private sector participation in projects under several ministries/departments we had suggested for this Committee to consider that:-

"- The changed circumstances might even necessitate the adoption of an altogether new approach, involving creation of only small contract management cells in lieu of the full fledged establishment.

- Innovation in technology and methods of financing, adoption of more expeditious and economical methods of construction, mechanisation etc., would also have an inevitable impact on manpower requirements of these departments."

The Committee has not examined these issues and no specific recommendations in this regard have been made.

*Our
recommendations*

50.53 We recommend that the government review/rationalise norms in accordance with worth-of-charge and current developments indicated above rather than create establishments on the basis of physical outlay for works. But so long as the existing norms continue, Electrical & Mechanical Wing of the CPWD should not have any cause for grievance as expressed in their demands. The Ministry of Urban Affairs must look into this with a view

of rationalising norms and bringing equity as between different wings of the organisation

Junior Engineers,
CPWD

50.54 The Association of Junior Engineers of the CPWD has raised similar demands as made by the Federation of Diploma Engineers. We have already made recommendations on issues raised by the Federation. We recommend following pay scales and promotion pattern (as at present) for Junior engineers of the CPWD within the framework of general pay structure evolved by us for Diploma engineers.

	Pay Scale(Rs.)	
	Existing	Proposed
Junior Engineer	1400-2300	1600-2660
Architectural Assistant	1640-2900	5 years 1640-2900 (Time bound after 5 years)
	2000-3200	10 years 2000-3500 (Personal promotion after 15 years)
Assistant Engineer Grade II	2000-3500	2000-3500
Architectural Assistant Grade II		Promotion: 50% Selection (Seniority-cum-suitability) 1.DCE: 50% JEs with 4 yrs of service
Assistant Engineer Grade I	Nd	2500-4000
Architectural Assistant Grade I		

50.55 Further, 50% posts of Executive Engineers in the pay scale of Rs.3000-4500 are filled by promotion of eligible (Engineering Degree holders) Assistant Engineers. This is proposed to be continued. We, however, do not endorse the demands for change in promotion pattern to the posts of Assistant Engineers from existing 50:50 mentioned above to 80:20, reservation of 50% posts of Executive Engineers and 30% Superintending Engineers for Junior Engineers as demanded by the Association. The special dispensation of time-bound promotion after five and ten years to Junior Engineers is intended to form part of the new scheme of Assured Career Progression (ACP) except to the extent that the number of years for promotions would be five and ten respectively instead of ten and ten as provided under the ACP. All other terms and conditions imposed under the proposed ACP scheme would be applicable in the CPWD.

MINISTRY OF SURFACE TRANSPORT

Central Engineering Service (Roads)

JTS STS JAG NFSG SAG HAG

%age share of duty posts	20.09	41.63	16.75	11.96	8.13	1.43
Threshold as on 1.7.1995	—	—	1976	1965	1964	NA

Demand of the Association

50.56 The Association of CES(Roads) Group 'A' maintains that the Engineers are being treated as ancillary to the generalist administration and are not being allowed to exploit their talent to the optimum extent. The Association, therefore, feels that the Engineers are thus reduced to an inferior status/category compared to generalists and that the present social and administrative ethos should undergo radical changes and the very basis of determining relative structures, both vertical and horizontal must be re-examined.

The Association has submitted following demands for our consideration:-

- The posts of Director General (DG, Road Development) and Additional Director General (ADG) should be encadred for Central Engineering Services(Roads) and DG, ADG and Chief Engineer should be given ex-officio status of Secretary. Additional Secretary and Joint Secretary respectively.
- A separate department headed by DG(Roads) as its Secretary be created or in the alternative, DG be elevated to the status of a Secretary in the present set up.
- Time Scales of pay for members of service.
- Complete parity in promotion prospects with other Central Services.
- Provision of triennial cadre Reviews.
- Placing of PSUs and autonomous bodies under the Roads Wing under professionals from the Service.
- A unified Civil Service limiting the number of grades to 22 or 24 should be created and no posts should be exclusively reserved for specified categories. Jobs at policy formulation levels should be made available strictly on the basis of talent and expertise.

Our recommendations

50.57 We have considered the demands of the Association and make the following observations/recommendations:-

We consider the demand for encadrement of the posts of ADGs and DG(Roads) for Central Engineering Service(Roads) justified. We accordingly recommend that the posts of DG(Roads) and ADGs be encadred into the Service. Further, the pay scale of DG(Roads) be improved from existing Rs.7300-8000 to Rs.8000(fixed) in present terms with the status of ex-officio Special Secretary to Government of India.

The demand for a separate department is primarily due to the perception of Specialist Engineers having a secondary role in decision-making vis-à-vis Civil Servants in the Ministry. That being the present system of administration, no change is called for. We do not think that the proposed creation of a separate department is justified on merits. Our general recommendations on time scale of pay under ACP Scheme would be applicable to the Service.

- We have discussed the issue of parity in promotion prospects of Technical Services with the Central Civil Services separately in the relevant Chapter.
- We find that the last cadre review for the Service was done in 1986. Next review is overdue. The Government may initiate necessary steps to finalise the cadre review immediately.

Subordinate
Engineering
Cadre Project
Computer
Draftsman,
Assistant
Engineer

50.58 We have discussed the pay scales of Project Computers in the Roads wing in the Chapter on the Ministry of Surface Transport. The recommended pay scales for Project Computers and other feeder subordinate engineering posts have been indicated below:-

Designation	Pay Scale (Rs.)		Remarks (in present terms)
	Existing	Proposed	
Project Computer, Draftsman Grade II	1400-2300	1600-2660	As for other diploma holders
Head Project Computer, Draftsman Grade I	1600-2660	1640-2900	Next higher scale
Chief Draftsman	2000-3200	2000-3500	Rationalized scale
Assistant Engineer	2000-3500	2000-3500	Assistant Engineer Grade II 80% D.R. + 20% Lateral move- ment of Chief Draftsman
		2500-4000	Assistant Engineer Grade I

MINISTRY OF WATER RESOURCES MINISTRY OF POWER

Central Water Engineering Service (CWES)

	JTS	STS	JAG	NFSG	SAG	HAG
% age share of total duty posts	38.23	34.39	13.40	8.99	4.36	0.66
Threshold as on 1.7.1995	—	—	1979	1971	1964	1962

Central Power Engineering Service (CPES)

Demands of the
Association

	JTS	STS	JAG	NFSG	SAG	HAG
% age share of total duty posts	32.65	38.96	20.59	6.49	1.30*	
Threshold as on 1.7.1995	—	—	1975	1972	1965	None

(* Not encadred)

50.59 The Association representing Water and Power Engineers has emphasised the key role of these engineers in the planned sustainable development of the national economy and highlighted the dismal service conditions and career prospects. The Association has suggested creation of an All India Service of Engineers to provide a cohesive force for efficient and effective management of water resources sector and a model cadre structure for Group 'A' Services as shown below:-

Grade	Percentage of posts
Higher Administrative Grade(HAG)	5
Senior Administrative Grade (SAG)	15
Junior Administrative Grade (JAG)	20
(including selection grade)	
Senior Time Scale (STS)	30
Junior Time Scale (JTS)	30

The Association has further highlighted the problems of stagnation in Services and demanded parity of promotion prospects with Central Group 'A' and All India Services.

50.60 We have also been informed that there are large number of vacancies in the cadre of water engineers due to delay in convening DPCs and that the recruitment and retention of engineers in the Junior Time Scale of CPES is a serious problem due to unattractive career prospects in the Service

*Our
recommendations*

50.61 We have recommended a bench mark Model cadre structure in general for all Group 'A' Services. This would be applicable to the CWES as well. Delays in convening DPCs and a large number of vacancies (150) is a very serious matter. We recommend that all vacancies be filled on a crash basis within a period of 6 months.

50.62 While some Engineering Services have a Centre-State interface, majority of Services are only Central Services. In our opinion, it may not be practicable or feasible to create an All India Service for Water Resources Sector alone. However, there is certainly a case for an all India Service of Engineers for some common categories, as mentioned earlier.

*Group 'B'
Engineers of
Central Water
Commission
(CWC) and
Central
Electricity
Authority (CEA)*

50.63 Group 'B' officers of the Central Water Commission designated as Extra Assistant Directors in Headquarters and Assistant Engineers in the field sub-divisions have brought to our notice that despite being the real working level in the Commission, their promotion prospects which were already bleak have further worsened due to Group 'A' cadre reviews. They have pointed out that the following ratios exist between different grades in the Engineering cadres of the CWC:-

Grades	Ratio
Group 'C' to Group 'B'	2.6 : 1
Group 'B' to Group 'A'	3.5 : 1
JTS to STS	1.1 : 1
STS to JAG	1.5 : 1
JAG to SAG	4.0 : 1

50.64 The Group 'B' (Gazetted) Engineering Cadre comprises posts of Extra Assistant Director/Assistant Engineering in the pay scale of Rs.2000-3500. This cadre provides technical support to the Group 'A' officers who provide the main technical manpower for the Commission at Senior levels. The Group 'B' officers are promoted from the level of Junior Engineers, Design Assistants and Head Draftsmen having requisite qualifications. As per the recruitment rules for

the post of Extra Assistant Director/Assistant Engineer, the vacancies in the cadre are filled in the ratio of 50:50 between graduates and diploma holders from the feeder (Group 'C') cadres

50.65 As per the existing rules, 40% of the intake to the Group 'A' junior time scale (Assistant Directors) is by promotion from Group 'B'. The balance 60% is direct recruitment through Union Public Service Commission. The Group 'B' is a single grade service whereas Group 'A' cadre is a multi-grade service from Assistant Director right upto Member of the Commission. The Central Water Commission had constituted a Cadre Review Committee headed by Chairman. Central Water Commission to review the cadre of Group 'B' Engineering Officers. The broad terms of reference of the Committee were to examine the existing promotion opportunities to the cadre, to suggest modifications, if necessary, in the recruitment rules keeping in view the special requirements of Central Water Commission and its field formations.

*Our
recommendations*

50.66 We understand that the necessary cadre review for Group 'B' posts in CWC has already been finalised and is under consideration of the administrative Ministry. We endorse the recommendation of the Cadre Review Committee for enhancing the promotion quota of Group 'B' posts in Group 'A' JTS from existing 40% to 50%. In addition, we recommend a time-bound crash programme for filling of vacant Group 'A' posts within 6 months. This would, in addition to ACP scheme recommended by us, provide necessary relief to Group 'B' engineers.

CENTRAL ELECTRICITY AUTHORITY

50.67 We have been informed that the feeder posts to the Group 'B' posts in the CEA are (i) Technical Assistants(graduates) since redesignated as Technical Officers, (ii) JEs(graduates as well as diploma holders) (iii) Head Draftsmen and (iv) Research Assistants(Engineering). All these feeder categories are in Group 'C'. Promotion to Group 'B' posts are made in the ratio of 2:1 from graduate and diploma engineers respectively. There is acute stagnation in the Group 'B' cadre. As against the eligibility period of 3 years in the grade for promotion to Group 'A' posts, about 90% of the total strength of Group 'B' officers have rendered 8 to 16 years of service in the grade. This has occurred mainly due to cadre reviews undertaken for improving the career prospects of Group 'A' officers, resulting in a reduction in the number of Group 'A' posts at lower levels.

50.68 There are about 38 posts of Junior Engineers in the grade of Rs.1400-2300 and 108 posts of Technical Assistants redesignated as Technical Officers (TO) in the grade of Rs.1600-2660. Both the categories of posts are filled by direct recruitment. The recruitment qualifications prescribed for the post of JE is diploma in Engineering, and for that of TO is Degree in Engineering.

50.69 As per the RRs notified by the erstwhile Ministry of Irrigation and Power all the posts in the service [Assistant Director grade II Rs.2000-3500 (92 posts)] were to be filled by promotion, and the feeder posts for purposes of promotion to the service are:-

Technical Assistants(Engineering) 108 posts Rs.1600-2660 (redesignated as Technical Officers).

Research Assistants (Not existing now)
Supervisors (38 posts) Rs 1400-2300 (re-designated as JE).
Head Draughtsman (25 posts) Rs 2000-3200

Our recommendations 50.70 The pay scale of Junior Engineers is proposed to be improved in general from the existing Rs.1400-2300 to Rs.1600-2660. A second pay scale of Rs.1640-2900 is proposed to be introduced for Junior Engineers to conform to the general pay structure proposed for this category. The Technical Officers being graduate engineers should be granted the pay scale of Rs.2000-3500 and Assistant Directors Grade II that of Rs.2500-4000.

50.71 The number of promotion posts (92 posts of AD-II) for JEs, TOs and Draftsmen are adequate. In addition, the provisions of ACP would provide further financial relief till regular promotions are made for these categories

The pay structure would thus work-out as under:-

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
and Power Junior Engineer	1400-2300	1600-2660 1640-2900
Water Resources Extra Assistant Director Assistant Engineer	2000-3500	2000-3500 2500-4000 Extra Assistant Director/Asstt. Engr.
Gr II Power Head Draftsman	2000-3200	2000-3500
Technical Officer	1600-2660	2000-3500
Assistant Director Grade II	2000-3500	2500-4000

MINISTRY OF COMMUNICATIONS

P & T Building Works Service

	JTS	STS	JAG	NFSG	SAG	HAG
% age share in total duty posts Threshold as on 1.7.1995	15.05	56.57	23.53	4.50	0.35	
			N.A.	N.A.	1964	

Demands of the Association 50.71 The P&T Building Works Service Association feels that despite expertise in construction of sophisticated and specialised works developed by P&T Civil Wing, the department lacks a proper set up to deal with cable ducting works and maintenance and upkeep of Telecom and Postal Estates. The Association also feels the need for creation of an appropriate quality assurance organisation, vigilance organisation and project units to execute important and prestigious

projects. The Association accordingly has put forth following demands and suggestions for our consideration:-

In order to involve the members of the P&T Civil Wing in policy planning, the Association has demanded that two posts of Member(Infrastructure) and Adviser(Infrastructure) be created for the service in the Telecom Commission.

- The department of Telecom is re-organising itself on the zonal concept. In line with the proposed concept, the head of the civil wing in each zone should be made Engineer-in-Chief who shall be in the higher grade (Rs.7300-7600). The E-in-C would be in overall control of all the three disciplines (Civil, Electrical and Architecture) in the P&T Civil Wing.
- To cope with the large number of arbitration cases, the post of CE (Arbitration) be upgraded to a higher grade to deal with intricate and complicated arbitration cases involving disputed amounts of more than Rs.1 crore. In addition, there should be a CE (Arbitration) to look after all other disputes in each zone.
- In order to ensure better coordination in the field units, there should be one CE (Civil) with each Chief General Manager.
- In order to assist the preparation of sophisticated structural designs and achieve cost optimisation, a Central Design Organisation should be created. This Unit should be headed by an officer not lower in rank than an E-in-C (higher grade). The E-in-C should be assisted by two CEs, one for design and the other for contract administration with adequate JAG level officers for assistance. This Unit is proposed to be established on the lines of the CPWD and Railways which are producing world class designs and systems in their Central Design Organisations.
- In order to meet the training requirements of the Civil Wing there should be an SAG level officer supported by three JAG level officers in the Advance Level Telecommunication Training Centre (ALTTC). In addition, each zone should have a JAG level officer to meet the training needs of the field units and the freshly inducted staff at the zonal level.
- Presently, the technological upgradation and practical application of innovative materials/techniques are limited to a very small group of engineers for want of clear cut guidance. There is a need to induct an officer of SAG level in Technical Engineering Centre(TEC) and two JAG level officers for technology upgradation and standardisation purposes. This unit would collect, assimilate and disseminate information about the new developments in the field of Civil Engineering. These units will also act as a data bank and nodal agency for interaction and information exchanges with organisations like Bureau of Indian Standards, Institution of Engineers and Industrial Research organisations, R&D Units of other departments, etc.

*Views of the
Department*

50.72 The Department of Telecommunications (DOT) has informed us that the Civil Wing under the Ministry of Communications came into existence in

1963 to plan and execute all civil works of the Post & Telegraphs Department. Direct recruitment of Civil & Electrical Engineers to the P&T Civil Wing started in 1963 through the Combined Engineering Service Examination of the UPSC. The Architects were directly recruited through the process of interview through the UPSC. This service was constituted into an organised service called "The Indian P&T Building Works Services" (IPTBWS) with effect from 18.4.90, with three sub-cadres viz. Civil, Electrical and Architectural, as the specialised functions of these three sub-cadres for planning and construction of buildings and other connected infrastructure works are inter-related and require close coordination. On bifurcation of the erstwhile P&T Department in 1985, separate Civil Wings were constituted for Department of Posts and Telecom. Both the wings are serviced by the common cadre of IPTBWS with the cadre controlled by the DoT.

Our recommendations

50.73 We have examined the suggestions and demands of the Service in the light of existing organisational set up, training facilities available for the Service and adjudicatory functions performed by the members of the Service in Arbitration cases. We make the following recommendations:

Post of Member, Infrastructure in Telecom Commission

50.74 We consider the demand for creation of a post of Member(Infrastructure) in the Telecom Commission justified in view of the need for representation of this Service at the policy planning level and estimated annual work load of Rs.600 crores for infrastructural services for telecom development. We accordingly recommend that one post of Member(Infrastructure) be created in Telecom Commission.

Other HAG posts

Any upgradation or creation of posts of E-in-Chief (Rs.7300-7600) for Civil Wing of P&T BWS would generate resentment among Electrical and Architectural Wings since in the field a parallel hierarchical pattern exists in all the three wings of the Service upto the level of Chief Engineer/Chief Architect in SAC. It may also be premature to suggest creation of higher level posts pending re-organisation of the Department. In our opinion, it would be appropriate to consider creation of other higher field level posts, if justified, after the reorganisation of the Department, particularly in view of private participation in this sector.

50.75 We do not consider that the demand for upgradation of the post of CE(Arbitration) to higher grade (presumably Rs.7300-7600) and one post of CE(Arbitration) in each zone is justified.

50.76 There are 20 posts of Chief General Managers (Rs.7300-7600) and 15 posts of Chief Engineers(Civil). There is no functional justification for having equal number of posts of CGMs and CEs(Civil). This proposal may be considered by the Government as part of the Cadre Review.

Central Design Organisation

50.77 The Central Design Organisation in CPWD is headed by a Chief Engineer. In Railways, there is no exclusive Central Design Office for Civil/Electrical works etc. There is, in fact, a Research, Designs and Standards Organisation which is not comparable to an R&D organisation of a civil construction organisation.

50.78 The analogy of CPWD would be valid if a Central Designs Organisation of comparable scale is functionally justified for civil construction.

work of the Department of Telecom. We feel that there is not much variety in building works in DOT as compared to works of the CPWD. Moreover, the CPWD also takes lead in setting standards for other departments. A comparison with CDO of CPWD would, therefore, not be valid. The need for an elaborate Central Designs Organisation on the pattern of CPWD should be considered by the administrative Ministry on merits. The upgradation or creation of higher level posts should match the needs of the future CDO. The demand for creation of the posts of E-in-C(Civil) supported by two CEs and SEs of Civil and Electrical Wings, may be considered by the Government as part of the Cadre Review.

R&D set up

50.79 The Telecom Engineering Research should concentrate on telecom technology. R&D needs of the telecom civil works should be taken care of by a Centralised Organisation like the CPWD. We do not consider the proposed creation of an R&D set up for civil works in the TEC as justified.

Posts in Training Centre

50.80 Considering the crucial importance of training in a fast modernising telecom sector, the proposal for three Directors (one each for three wings of P&T BWS) instead of existing two Directors of Civil and Electrical, is accepted. However, the proposal for one post of GM(SAG) is not considered to be justified.

Indian Telecom Service (ITS)

	JTS	STS	JAG NFSG	SAG	HAG
% age share in total duty posts	16.94	61.88	14.19	0.54	0.11
Threshold as on 1.7.1995	—	—	1986 1979	1974	1963

Demands of the Association

50.81 The Indian Telecom Service Association has informed us that there is acute stagnation in the Service at JAG level and above. The Association has demanded career progression at par with Central Civil Services and All India Services.

50.82 The Association has made following specific demands for improving career prospects in the Service:-

Post of members in Telecom Commission II/AG posts

- The post of Member(Technology), Member(Production), Member(Service) and Secretary Telecom in Telecom Commission should be encadred in ITS as the posts are technical in nature.
- There are about 250 SAG officers and 16 CGMs in DoT. In order to improve the services every fourth post of General Manager should be upgraded to the rank of Chief General Manager equivalent Additional Secretary to the Govt. of India.
- In order to reduce the present delay of 3-7 years in promotions to SAG scale a JAG officer may be placed in the grade of SAG as soon as the officer puts in 17 years of service. Alternatively the officers may be given

double increment in the existing JAG grade after completion of 17 years and till the time of promotion to SAG scale.

In order to reduce the delay of 4-5 years in promotion to JAG scale after an STS officer puts in 8 years of service he may be given double increment every year after completion of 8 years of service.

Our Views and recommendations 50.83 We have formulated our views on the Service and its demands after considering the fast changing scenario in the Telecom Sector:

Encadrement of posts in Telecom commission

We consider that the telecommunication is on the threshold of becoming a mega-sector in the country. The potential of telecom-technology in triggering economic growth is enormous. The entry of global players in this field as a result of National Telecom Policy would induce fierce competition, wherein Department of Telecom would be an important participant. From the point of view of national security and crucial strategic importance in economic growth, government will have to necessarily play an active role in Telecom Sector. Those who are leading in the cutting edge of technology in this field will have a decisive advantage. The DOT perforce will have to compete with technologically advanced players - the technological problems will also become more complicated due to multiplicity of players and technologies that would be introduced in future. It is, therefore, imperative that the professionals of Indian Telecom Service are given a formal right to be inducted into the decision-making mechanisms in the Telecom Commission and the Government. The demand for encadrement of the posts of Member(Technology), Member(Production), Member(Service) in Telecom Commission for ITS is considered justified. We accordingly recommend that these posts be encadred in Indian Telecom Service.

Cadre review

50.84 The percentage share of posts at STS level is unusually high (61.88%). There is an urgent need to improve the cadre-structure particularly at SAG and HAG levels. The demand for upgradation of every fourth post of CGM, if accepted, would improve HAG but further deteriorate SAG level. Any such upgradation should be done as a part of comprehensive cadre-review exercise which is overdue for the Service (last cadre review was done in 1988). The cadre review must take into account latest developments in regarding privatisation of basic and value added telecom services. This review should also take into account the official suggestion for upgradation of the posts of CGMs for 4 maintenance regions, project circles, Technical and Development circle and the posts of CGMs of Training Centre (ALTTC) at Ghaziabad and Telecom Research Centre to the rank of Special Secretary.

50.85 The scheme of financial upgradation of the incumbents upto NFSG in a time-bound manner(ACP) recommended by us would to some extent improve the conditions of service. Further, improvement in career prospects can be ensured by a comprehensive cadre review keeping in view the impending privatisation of basic and value-added telecom services in the country as mentioned above.

Junior Engineers and Junior Telecom Officers

50.86 The Junior Engineer (Civil) is proposed to be granted the initial pay scale of Rs.1600-2660 instead of existing Rs.1400-2300 in accordance with the general proposed pay scale for Diploma Engineers in Government. These Junior Engineers (Civil, Electrical) further enjoy the benefit of higher pay scale of

Rs 1640-2900 after 5 years of service and personal promotion to the pay scale of Rs 2000-3500 after another 10 years of service as in the CPWD. This is proposed to be continued as at present.

50.87 The pay scale of Junior Telecom Officers has been discussed in the Chapter on the Department of Telecommunication.

*Telecom
Factories
Engineers*

	JTS	STS	JAG/NFSG	SAG	HAG
No of posts	28 (DR 50% Pr 50%)	29	10	03	

*Demands of the
Association*

50.88 The Association of Telecom Factories Engineers has put forth following demands -

- The cadre of Telecom Factories Engineers be merged with Indian Telecom Service
- In order to alleviate the problem of stagnation, the officers be provided time-bound promotion maintaining batch parity with other organised Central and All India Services
- In order to involve the officers of telecom factories in policy formulation the post of Senior DDG under Member (Production) should be filled by an officer of the Telecom Factories Service, and three posts of Chief General Manager at the Circle level in the Senior Administrative Grade be upgraded to HAG level as their duties and responsibilities and even designation had been upgraded earlier without a corresponding enhancement of their pay scale and status
- The posts of factory manager be upgraded from JAG to SAG level and selection grade be provided at the JAG level as in other organised services.

*Our
recommendations*

50.89 The Assistant Managers (Gr 'A' JTS) are recruited (50%) through Combined Engineering Services Examination. There is no sound rationale in keeping a small cadre for Telecom Factories distinct from the main Telecom Engineering cadre. In Railways, for instance, the Engineering Services Officers man posts in workshops and Production Units. In order to integrate Telecom Factories into the mainstream and improve the career prospects of Engineering Officers in Telecom Factories, it would be legitimate to merge the posts of Group 'A' Telecom Factories Engineers into the Indian Telecom Service. This would obviate the need to earmark any post in HQs for Telecom Factories' Service as demanded by the Association of Telecom Factory Engineers and also bring promotion prospects of TFS officers at par with ITS. We accordingly recommend merger of Telecom Factories Engineers cadre with Indian Telecom Service.

50.90 We, however, do not accept the proposed upgradation of posts of CGM to HAG level and of factory managers from JAG to SAG as suggested by the Association, in view of Telecom Factories fast losing their

significance due to induction of modern technology and private participation in Telecom Sector.

Subordinate
cadre in Telecom
Factories
Metallurgist and
Junior Telecom
Officer

50.91 Metallurgists who along with Assistant Engineers are feeders to the posts of Asstt. Managers in Telecom Factories are directly recruited with the qualification of degree in Metallurgical Engineering or equivalent Diploma qualification in the pay scale of Rs.2000-3500. We consider this pay scale for the post of Metallurgist to be adequate.

50.92 Junior Telecom Officers(JTOs of Telecom Factories who were earlier designated as Technical Assistants/Junior Engineers are presently in the pay scale of Rs.1400-2300. Fifty percent JTOs in TFs are recruited directly with the qualification of Bachelor of Engineering/Bachelor of Technology or Bachelor of Science(Hons). The balance 50% are promoted from the ranks of industrial workers. In keeping with the general decision on the pay scale of Engineering Diploma holders and Technical Supervisors in Workshops, we recommend the pay scale of Rs.1600-2660 to JTOs of TFs. We also recommend that JTOs in Telecom Factories be re-designated as Junior Engineers (Telecom).

The pay structure for the engineering cadre of the Telecom Factories would thus work out as under:-

Designation	Existing Pay Scale(Rs.)	Revised Designation	Proposed Pay Scale(Rs.)	Mode of Recruitment
Junior Engineer/ Junior Telecom Officer	1400-2300	Junior Engineer (Telecom) II	1600-2660	BE/B.Tech or B.Sc with 60% marks/B.Sc(Hons.)
Assistant Engineer	2000-3500	Junior Engineer (Telecom) I Assistant Engineer Grade I	1640-2900 2000-3500	Promotion 100% partly from (Factories) JTOs and partly from industrial cadre
Assistant Manager	2200-4000	Assistant Engineer Grade I Assistant Manager	2500-4000 2200-4000	Direct Recruitment 50% Promotion 50% from Asstt. Engineer(Factories)
Senior Engineer Dy. General Manager/Manager/ Director	3000-4500 3700-5000	Senior Engineer Dy. General Manager/ Manager/Director	3000-4500	
Chief General Manager	5900-6700	Chief General Manager	3700-5000 5900-6700	

Telecom
Research
Centre/Telecom
Engineering
Centre
Functions

50.93 Telecommunication Research Centre(TRC) was set up in 1956, as part of the Headquarters organisation of erstwhile P&T Board, now Telecom Commission. The Centre was entrusted with the responsibility of design and development of Telecommunication equipment, and providing solutions to major technical field problems of telecommunications, and technical advice to users, and P&T Board. The TRC soon became the nodal agency as a harbinger of new technologies and emerged as a technical think-tank for the Department of Telecom.

Officers of TRC

50.94 We have been informed that all the personnel for TRC were initially drawn from the Telegraph Engineering Services, now called Indian Telecommunication Service(ITS). The direct recruitment for TRC was started in 1965 to allow for greater specialisation and also because enough persons were not always available from the operating wing of the department. Some officers were recruited in TRC by direct interview through UPSC, though the bulk of the officers

continued to be drawn from the TES. These officers were directly recruited to Group 'A' service. About 40 officers were recruited in TRC between 1965 and 1975. At present only twelve officers are in service. A large number have left due to uncertain career prospects.

Designation	No. of Officers	Pay Scale Rs.
Dy. Director General	07	5900-6700
Director	02(SG)	4500-5700 + Spl. Pay Rs.500.
Asstt. Director General	01	3000-4500 + Spl. Pay Rs 400

Views of the Department

50.95 The Department of Telecom in the Official views has made two significant points:-

- that separate recruitment for TEC was made, since intake of officers to the ITS Group 'A' was not adequate to meet the technical manpower requirement of TEC during 1965 to 1974; and
- that it is desirable that some ITS officers work at higher levels in TEC so that their experience can be utilised for the organisation.

Our views and recommendation

50.96 The officers manning research unit should be totally integrated with the technical cadre of the department. Their isolation, apart from causing career stagnation, is detrimental to the interests of the organisation in a fast changing technological scenario in telecom sector. This position where a small number - twelve at present - form a separate group even though they hold identical qualifications as the mainstream department engineers and do the same work - is not tenable. In fact, the special recruitment of TRC officers through UPSC was done due to administrative problems. It would be unfair to deny the career progression to these officers vis-à-vis ITS officers. The hon'ble Supreme Court in a judgment in 1982 on a writ petition filed by TRC Scientific Officers(Class I) regarding denial of promotion opportunities and special pay at par with ITS officers working in TRC made following observations:-

".....It is not the case of the Government that the petitioners are not competent and are not able to discharge their duties. All the direct recruits are graduate engineers and have been working throughout in the Telecommunication Research Centre. They do the same job as the transferred officials (of ITS).

..... Government has virtually admitted that all relevant things such as qualifications, functions, duties and responsibilities are the same as between direct recruits and transferred officials"

50.97 The Supreme Court did not give any final verdict on the promotion opportunities due to non-availability of adequate material but granted special pay to TRC Scientific Officers at par with ITS officers working in TRC.

It would be fair, equitable and in the interest of the organisation that the Scientific Officers Group 'A' of TRC be merged in the cadre of ITS. We,

accordingly, recommend merger of these posts along with existing incumbents in the Indian Telecom Service.

Wireless Planning
and Coordination
Wing

50.98 The Wireless Planning and Coordination Wing(WPC) of Ministry of Communications is the National Radio Regulatory Authority to ensure orderly utilisation of Radio frequency Spectrum and Geo-stationary Satellite Orbit(GSO). It is supported by the Wireless Monitoring Organisation in this activity. The WPC Wing is also the nodal agency to deal with the International Telecommunication Union(ITU), Geneva and Asia Pacific Tele-community(APT).

50.99 Considering the strategic importance and role of WPC Wing the following changes in the pay scales and status of different engineering posts are proposed. We have kept in view the recruitment qualifications and our general approach on pay scales of subordinate engineering cadres before making these recommendations:-

	Pay Scale (Rs.)	
	Existing	Proposed (in present terms)
Technical Asstt. Gr.II	1400-2300	1600-2660
Technical Asstt. Gr.I	1640-2900	1640-2900
Technical Supervisor	New Level	2000-3500* Grade II 2500-4000* Grade I

(No of posts without additional creation to be distributed in the ratio of 50 : 50)

50.100 Engineers in Group 'A' cadre are recommended to be merged with mainstream Indian Telecom Service. Further, following recommendations are made:-

Existing	Proposed (in present terms)
Wireless Adviser(Rs.5900-6700) (01)	
Director, Wireless Monitoring(01)	No change
Jt. Wireless Adviser(01) (Rs.4500-5700)	No change
Dy. Director(03), Dy. Wireless Adviser(03) (Rs.3700-5000)	No change
Assistant Wireless Adviser(07) (Rs.3000-4500 + Spl Pay Rs.200)	JAG (Rs.3700-5000 without Spl. Pay (NFSG posts on JAG posts would be available by virtue of merger into organised ITS)
Engineer-in-Charge(13)(Rs.3000-4500)	Sr. Engineer (Rs.3000-4500)
Engineer(65)(Rs.2200-4000)	No change

MINISTRY OF DEFENCE

Indian Defence Service of Engineers

	JTS	STS	JAG	NESG	SAG	HAG
IDSE						
% age share in						
total duty posts	22.68	46.99	12.84	15.85	1.55	0.09
Threshold as on						
1.7.1995(MES)	—	—	1968	1966	1963	1958

- Military Engineering Service of Surveyors
- Military Engineering Service of Architects

Demands of IDSE Association 50/101 The Association of Indian Defence Service of Engineers has explained to us the mixed army-civilian character of Military Engineering Service. The Association maintains that this system works to the disadvantage of civilian officers since the promotion avenues, rank and pay structure of army officers being different there are no clear rules with regard to inter-se seniority. The Association has submitted the following for our consideration:-

- The existing system has resulted in senior IDSE officers working under junior army officers and has caused a lot of demotivation and demoralisation among the civilians.
- In order to ensure overall economy and efficiency of operations in MES, the Government should fix the ratio of IDSE officers and officers of the Corps of Engineers at 2:1 at all levels besides delinking MES from the Corps of Engineers and constituting a Defence Works Board under the Ministry of Defence comprising a mix of service officers as well as civilian IDSE officers.
- The personnel Director of MES should be a civilian officer of the rank of Additional Secretary. A separate deputation and training cell should be created in this Directorate under an SAG officer.
- There is a need for creating the post of Construction Adviser (Secretary level) to the Defence Minister to be manned by an officer of the IDSE cadre.
- A peculiar situation in MES exists in having a non-technical cadre of Barrack Stores Officers. This cadre was created when there was a shortage of Engineers in the country. It is felt that entrusting the technical duties of furniture and stores to engineers will improve the position of these aspects considerably. In no other Engineering Department are these duties entrusted to non-technical persons and similar principle should be adopted in MES also.

Immediate implementation of second cadre review proposals and initiation of measures to eliminate delays in future.

Apart from poor cadre management, preparation of panels by holding DPCs and other disciplinary proceedings are mordnately delayed

The post of Additional Chief Engineer exists only in the Indian Defence Service of Engineers. As there is no basic pay scale for the post, this has been placed in the selection grade of the Junior Administrative Grade and a sum of Rs 400 p.m. is admissible in addition. Since this post has been abolished by all other departments after implementation of the 4th Pay Commission's report, the post of Additional Chief Engineer be upgraded to the Senior Administrative Grade without any change in the functional requirement or duties laid down in the regulation.

*Our Views and
recommendations
on Civilian -
Military
Inter-face*

50.102 We have carefully perused the views of Engineer-in-Chief Branch on the memorandum of the IDSE Association and have examined the present organisational structure in MES.

We find that there is tremendous resentment among civilian officers of MES due to disparities in equivalence between Army and Civilian Officers. Further, the senior-most civilian officer who is Additional Director General in the pay scale of Rs.7300-7600 is reporting to the Director General who is a military officer of the rank of Major General in the pay scale of Rs.5900-6700. This is obviously an anomaly. In the interests of the organisation and fair play, we recommend that the head of this organisation should be a civilian.

*Civilianisation of
MES*

50.103 It is accordingly recommended that the existing arrangement of a civilian ADG reporting to a military Director/Major General be replaced with a civilian Director General in the pay scale of Rs.7300-7600 and a military Joint Director General in the pay scale of Rs.5900-6700.

50.104 The proportion of appointments between civilian and military officers as recommended by the Military Engineer Services Review Committee 1955, Estimates Committee of Lab. Sabha 1958-59 and Military Engineer Services Organisation Committee 1959 is as under:-

- | | |
|---|---|
| (i) Engineers above the grade of Superintending Engineers | - 50% military and 50% civilian excluding certain sensitive appointments (20 Chief Engineers) which are not apportioned to civilian officers) |
| (ii) Engineers upto the Grade of Superintending Engineers | - 50% Military and 50% civilian |
| (iii) Architects | - Minimum 80% Civilian |
| (iv) Surveyor of Works | - Minimum 75% Civilian |
| (v) Barrack and Stores | - 33 1/3% Military 66 2/3% Civilian |
| (vi) Administrative Cadre | - 33 1/3% Military and 66 2/3% Civilian |

50.105 The latest review was done by the Estimates Committee of the Seventh Lok Sabha. The Committee made following observations:-

"Military Engineers Services is at present a composite organisation with a judicious blend of Civilian and Military personnel at various levels. The Committee have gone into the suggestion made to it for complete

civilianisation and complete militarisation of this service. After considering the pros and cons of the matter, the Committee feels that the present composite character of the service is best suited for an organisation like Military Engineer Services"

This recommendation was accepted by the Govt. of India.

*Our
recommendations*

50.106 The trend world over is progressive civilianisation of military engineering organisations. It is desirable that we also follow this pattern. We, therefore, recommend that complete civilianisation of military engineering organisation be set as a long-term objective.

50.107 The basic role of the MES is to provide service support to the defence forces. A Works Board which is usually invested with more autonomy and powers than an organisation in Government may not be compatible with the nature of role expected of MES. A functionally autonomous Board with an army-civilian mix may not dovetail with the disciplined command structure of the defence forces. In our view, therefore, the demand for constitution of a Defence Works Board under the Ministry of Defence is not justified.

50.108 There is adequate representation of IDSE constituent of MES in E-in-C Branch. So long as MES continues to be a composite organisation, it may not be feasible to create independent Command structure for IDSE officers. However, we recommend that the post of Director Personnel should be earmarked for an IDSE officer.

50.109 The demands for a separate deputation and training cell and Construction Adviser (Secretary level) to be manned by an IDSE officer are not feasible to be accepted within the existing organisational framework.

50.110 The stores management functions in big organisation like Railways are shared by Engineering and Ministerial staff at lower levels. The Ministry of Defence has clarified that MES engineers are already involved in the procurement and inspection of stores and that no further involvement of engineers is necessary. This clarification is considered adequate.

50.111 The Ministry of Defence has clarified that the second cadre review suggesting creation of large number of posts at HAG, SAG and JAG levels is in the final stage for approval of the Cabinet and would improve the career prospects of civilian MES officers. Further, we have proposed to make mandatory, periodic cadre reviews justiciable. This would ensure elimination of delays in future.

50.112 Delays in preparation of panels and disciplinary proceedings is a serious matter. Our general recommendations in this regard have been made in relevant chapters. The dissatisfaction of civilian MES officers on this account and deputation to ex-cadre posts etc., may, however, be examined by the Ministry of Defence for suitable remedial measures.

50.113 There are a large number of posts (174) of Additional Chief Engineer (Rs. 4500-5700 + Rs. 400 SP). The proposed upgradation of all these posts to SAG may significantly disturb the cadre structure. The Ministry has also advised that the second cadre review is in the final stage of approval by the Cabinet. In view of this position, the demand for upgradation of the posts of Additional Chief Engineers may be considered by the Government as part of Cadre Review. The continuance of these posts in the present grade, however, may be reviewed by the Ministry in the light of cadre review approval and the pay scales of Brigadiers (the equivalent rank of Additional Chief Engineer) recommended by us.

Subordinate
Cadres:
Pay Scales

50.114 The pay scales of Subordinate engineering constituents of MES are recommended as shown under:-

Building and Roads (B&R)	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Superintendent (B&R) Grade II	1400-2300	1600-2660
Superintendent (B&R) Grade I	1640-2900	1640-2900
Assistant Engineer	2000-3500	2000-3500 Assistant Engineer Grade II 2500-4000 Assistant Engineer Grade I
Surveyors		
Surveyor Assistant Grade II	1400-2300	1600-2660
Surveyor Assistant Grade I	1640-2900	1640-2900
Junior Surveyor of Works	2000-3500	2000-3500 Junior Surveyor of Works Grade II 2500-4000 Junior Surveyor of Works Grade I
Architects/Draftsmen		
Draftsman Grade II	1200-2040	1320-2040 Draftsman Grade III
Draftsman Grade I	1400-2300	1600-2660 Draftsman Grade II
Senior Draftsman	1600-2660	1640-2900 Draftsman Grade I
Chief Draftsman	2000-3200	2000-3500 Chief Draftsman Lateral Movement
Technical Officer	2000-3500	2000-3500 Transfer
Assistant Architect	2000-3500	2000-3500 Assistant Architect Grade II 2500-4000 Assistant Architect Grade I

Indian Ordnance Factories Service (IOFS)

50.115 The issues on Indian Ordnance Factories Service being a composite of Civil Service Officers and Engineers have been considered in our Chapter on Civil Services. However, the pay scales of subordinate technical feeder cadre are mentioned below:-

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Chargeman (Technical) Grade II	1400-2300	1600-2660
Chargeman (Technical) Grade I	1600-2660	1640-2900
Assistant Foreman (Technical)	2000-3200	2000-3500
Foreman (Technical) redesignated as Junior Works Manager	2375-3500	2375-3750

(Note: The pay scales above are in conformity with our recommendations on the pay scales of workshop technical supervisors)

Naval Armament Supply Organisation

	JTS	STS	JAG	NFSG	SAG	HAG
%age share in total duty posts	47.86	29.52	1	26.67	0.95	NA
Threshold as on 1.7.1995	—	—	1980	1972	1966	None

Naval Armament Supply Organisation 50.116 At present Naval Armament Supply Organisation (NASO) has Director General of Armament Supply, under Material Branch at Naval Headquarters (NHQ), which carries out the staff function at NHQ and is the directing authority to the various Naval Armament Depots.

50.117 Naval Armament Depots situated in the country serve the three Naval Commands namely, Western Naval Command, Eastern Naval Command and Southern Naval Command of the Indian Navy. These Armament Depots are of different sizes, capacities and capabilities, which can be classified as large and medium Naval Armament Depots, depending upon the role of these depots. There are three depots under Western Naval Command and are situated at Bombay, Karanja and Trombay. The total personnel strength of these three Naval Armament Depots is approximately 2900 personnel, including officers. All the three depots at present are headed by officers in the level of JAG/NFSG and the senior-most among them is the overall incharge of the complete Naval Armament Supply Organisation at Bombay.

50.118 The Naval Armament Depots, where majority of INAS posts are utilised (85%) have a 2 tier management structure as indicated below -

1st Tier	JAG/NFSG	Overall incharge of the depots.	
	JAG	Incumbents of these posts are heads of distinct functional departments, eg. guided weapons, production material management, etc.	The officers in this grade are also Officer-in-Charge of small depots
2nd Tier	Senior/Junior Time Scale	They act as Section Officers for small and medium shops/sections. The Naval Headquarters where 15% posts are utilized has 3 tier management structure as indicated below:	
1st Tier	SAG	Overall directing and controlling authority designated as Director General of Armament Supply.	
2nd Tier	JAG/NFSG	They work as Director/Deputy Director at Naval HQ.	
3rd Tier	Sr Jr Time Scale	They work as Asstt. Director/Deputy Asstt. Director at NHQ.	

Director General, Armament Supply 50.119 Director General of Armament Supply is responsible for efficient management of Naval Armament inventory and related capital assets of the Indian Navy valued at over Rs.3000 crores and management of more than 6000 personnel spread over various depots and in Hqs. In addition, Naval Armaments being an extremely specialised line, he has to provide guidance and direction to the Naval Armament depots in respect of project management, indigenisation, technology assimilation, safety, ensure high level of weapon and armament availability to the service and meet all the operational requirements of the service at all times. Further, he has to interact with R&D Organisation. Keeping in view the nature of work and responsibilities entrusted to this post, we recommend upgradation of the post of Director General of Armament Supply at Naval Hqs from SAG to HAG (Rs.7300-7600).

Our recommendations 50.120 In order to have rational and effective organisation structure there is need to have one post each of Chief General Manager, Armament

Supply under each Naval Command namely, Western, Eastern and Southern Naval Command. All the depots and establishments of Armament Supply Organisation under each command may function directly under the respective Chief General Managers in SAG.

50.121 The Directors at NHQ, officers in-charge of Naval Armament Depots and heads of the major functional areas like material management, production management, guided weapons, personnel management, transfer of technology, project management, security and fire fighting in major depots should all be in JAG/NFSG. We also propose to have 4 officers at JAG level (Directors/Jt. Directors) looking after distinct functions at NHQ. All the posts are proposed to be created by suitable upgradations without any additionality to the cadre as under:-

Grade	Existing	Proposed
HAG	—	01
SAG	1	03
JAG/NFSG	28	25
STS	31	31
JTS	45	45
	105	105

MINISTRY OF INFORMATION AND BROADCASTING

Indian Broadcasting Engineering Service (IBES)

	JTS	STS	JAG	NFSG	SAG	HAG
% age share in total duty posts	51.56	38.42	—	8.41	1.47	0.15
Threshold as on 1.7.1995	—	—	1975	1973	1970	1965

50.122 The IBES association has informed us that the cadre management of the Service is in bad shape and promotion prospects for officers are very poor despite tremendous expansion in the activities of All India Radio and Doordarshan. We also note that despite constitution of the Service as an organised one as early as 1981, there has been no cadre review so far. The Service association has made following suggestions for our consideration:-

- The IBES Officers should be provided time-bound promotions as are admissible to officers of the IAS, IPS and IFS. The 'in-situ' promotion scheme introduced in the Ministry of Information and Broadcasting on the recommendations of the Tikku Committee should be introduced in All India Radio and Doordarshan as well.
- Suitable compensation package and status need to be provided for the broadcasting engineers in order to meet successfully the emerging global

challenges and to arrest the exodus of professionals from the electronic media to the private sector.

- In AIR and DD, the span of control norm is not followed and at times it is found that one officer supervises the work of 8 to 10 officers immediately below him. This adversely affects the performance of the officer. It is, therefore, proposed that the officers of SAG level should be posted at nerve centres of AIR.
- DD namely, Delhi, Mumbai, Calcutta and Chennai and officers of JAG level at circle level for effective maintenance.
- Further, in order to strengthen the maintenance network the state level office should be put under the control of one SAG level officer.
- There should be a separate office for Engineering Heads at DD and AIR Kendras with separate budget. This is required for providing proper coordination at Kendras amongst engineers, news personnel and programmers. The senior-most officer among the three should hold the additional charge of the general administration.
- In the year 1984, the Deptt. of Personnel and Administrative Reforms had recommended creation of a separate Engineering Directorate for AIR and DD. But this recommendation has not been implemented. In view of the vast expansion of the Electronic media the responsibilities of the Engineering Wing of the News Service Division have increased. In-house productions and private productions have also increased tremendously during the last decade. In addition, a number of new services, such as FM paging, Teletext, Radiotext, etc., have also been introduced. This justifies creation of a separate Department of Engineering for AIR and DD.

Our views and recommendations

50.123 The proposed time-bound financial upgradation scheme(ACP) upto NFSG would provide some relief to the cadre. In addition, official remarks received by us indicate finalisation of the cadre-review proposals. This would help improve career prospects of IBES. If the Government expedites the formation of the proposed Prasar Bharati Corporation, the remuneration and promotion prospects of Engineering Officers may improve further.

50.124 There would always be limitations within a Government set up to improvement of remuneration of Engineering officers. In a highly competitive media environment and prospects of massive revenue generation in this field, it is highly desirable that the electronic media is freed of Government control and put under an autonomous corporation to be managed by professionals. This would improve the compensation package of broadcasting engineers and enable the nation meet the global challenge in this sector.

50.125 The organisation of AIR and DD is in urgent need of change due to fast expanding media network. However, the issue of re-organisation and span of control can only be considered by the administrative ministry. There should be a sense of urgency in tackling the organisational issues concerning Govt.

electronic media in view of its mass appeal and potential to influence the entire socio-economic life of the community.

50.126 Bifurcation of AIR and DD are desirable objectives as also admitted in official views received by us. This is, however, essentially a matter of resource constraints. The solution to the problem is again immediate corporatisation and complete autonomy to AIR and DD. An autonomous corporation working on rational commercial principles would generate enough resources to meet the needs of AIR and DD and their expanding network

50.127 A separate department of Engineering under a Directorate General is not considered to be feasible within the Government set up. The electronic media being primarily technology driven now, it is in the fitness of things that the AIR/DD are taken out of the control of the Government and handed over to professionals in a new corporate structure. We also recommend that suitable state-of-art R&D facilities be created for AIR and Doordarshan.

Engineering Assistants in All India Radio and Doordarshan

50.128 The controversy and the problem of the pay scale of Engineering Assistants have been considered by us in detail in the Chapter on the Ministry of Information and Broadcasting. We have recommended the pay scale of Rs.1600-2660 to Engineering Assistants of AIR/DD at par with Diploma Engineers in other departments of the Government.

The pay scales of subordinate engineering cadres are thus recommended as given below keeping in view the general pay structure for Diploma Engineers.

Broadcasting Wing	Pay Scale(Rs.)	
	Existing	Recommended (in present terms)
Engineering Assistant	1400-2600 2000-3200	1600-2660
Senior Engineering Assistant	1640-2900	1640-2900
Assistant Engineer	2000-3500	2000-3500 Assistant Engineer Grade II 2500-4000 Assistant Engineer Grade I

The pay scales and promotion pattern in the Civil and Electrical Wing will be identical as in the CPWD.

MINISTRY OF COMMERCE

Indian Supply Service(ISS)
Indian Inspection Service (IIS)

	JTS	STS	JAG	NFSG	SAG	HAG
% share of posts in total duty posts						
IIS	39.67	38.02		17.35	4.13	0.83
ISS	30.83	35.83		23.33	8.33	1.67

Threshold as on
17 1995

IIS	1972	1969	1967	1962
ISS	1974	NA	1966	1964

Demands of the Association 50.129 The association of officers representing ISS and IIS has made following submissions for our consideration:

The structural ratio in the cadre should be made flexible in order to provide post for promotion upto SAG level without increasing total number of posts in the cadre. The officers may be elevated subject to their suitability in a time bound manner as follows:-

JTS to STS - 4 years
STS to JAG - 4 years
JAG to NFSG - 4 years
NFSG to SAG - 4 years i.e. SAG in 16 years

Percentage of HAG posts in ISS and IIS should be enhanced to 9% at par with IFS to provide reasonable opportunities for promotion upto this level in order to attract engineers to these services.

The post of Director General/DGS&D at present is an ex-cadre post and is filled under the Central Staffing Scheme. The Association suggests that the post of DG being technical in nature may be encadred and kept open only to the officers of ISS and IIS.

The officers in ISS and IIS carry heavy financial responsibility and undertake quality assurance work of a very large number of items from Pins to Bulldozers including highly technical and sophisticated items. The Association suggest that posts in DGS&D may be elevated as follows:-

Assistant Director	JTS and STS combined
Deputy Director	JAG
Director	SAG
Dy. Director General	HAG
Addl. Director General	HAG(Special Secretary)
Director General	HAG(Principal Secretary)

50.130 One of the problems faced today is disparity in opportunity for career growth in various Engineering Services. The Association proposes that a common seniority list may be maintained based on the results in the UPSC examination to ensure that if an officer securing lower rank gets elevated in his cadre, all officers holding higher rank (in the same year's UPSC exam) get the benefit of promotion.

The ISS and IIS cadres have been established by the Government to deal with purchase/contract management work and the quality assurance work respectively. These two cadres are manned by qualified Engineers having a wealth of experience in the field of purchase/contract management and quality assurance/inspection. Many government departments undertake adhoc purchase and inspection/quality assurance work and even entrust

this work to various agencies. The Association submits that this work should be assigned to ISS/HS cadres and for this purpose officers of ISS/HS be inducted in various ministries and departments.

The Department of Supply is the Administrative Ministry for ISS/HS cadres. But at present no post in the Deptt. of Supply is earmarked for these two cadres. In order to provide openings and relief to the cadres, the Association proposes that 25% of the posts in the Department of Supply from Under Secretary to Joint Secretary be earmarked for officers of ISS/HS cadres.

The posts of Assistant Director Grade II (Rs 2000-3500) may be filled to the extent of 100% from departmental candidates as was recommended by the third CPC. The promotion of Group 'B' officers may be made direct to the level of Deputy Director within 7 years in the ratio of 75 : 25 i.e., 75% from Grade 'A' UPSC recruits and 25% from Grade 'B'.

*Functions of
DGS&D*

50/131 Due to recent decentralisation of purchase to different Ministries/Departments, the work-load of DGS&D on account of procurement of stores has reduced. However, the organisation continues to perform following functions as in the past:-

- (i) Formulation of purchase policies of the Government by laying down procedures and practice to be followed by the Central Government.
- (ii) Disposal of Defence Surplus Stores
- (iii) Providing Shipping and Clearance services independent of procurement activity.
- (iv) Inspection Wing ensures quality of stores procured, formulation/upgradation of specifications, interaction with users, suppliers and other quality assurance agencies. It also renders technical advice to the users.

*Our observations
and
recommendations*

50/132 We have considered the issues raised by the Association and observe as under:-

While the Inspection functions are still important in Government and would merit a separate specialised service, the same is not true of purchases. Purchase of stocks has now become a highly specialised activity and is best left to the technical experts. We, therefore, feel that the Indian Supply Service should be disbanded, as it no longer serves a useful purpose. However, pending its abolition, we are making recommendations for both the Services in the succeeding paragraphs.

A benchmark model cadre structure for all Group 'A' Central Services has been proposed in general. The Ministries/ Departments should make efforts within the norms of functional needs to approximate to this model structure.

The procurement, disposal, quality assurance of materials is a highly technical activity now. A scientific management of materials, value engineering can make significant contribution to the financial health of the organisation for which DGS&D make purchases. However, no change in respect of the leadership of this organisation seems to be necessary. We do not endorse the demand of the Association for encadrement of the post of DG/DGS&D for IIS/ISS.

- The present status of various posts in IIS and ISS are in conformity with standard Group 'A' Service ranks. No change in this respect is justified
- The proposed ACP upto NFSG would to some extent bring parity among all Group 'A' Services in respect of financial remuneration during first half of the service career. Timely cadre-reviews which are proposed to be made justifiable would further bring improvements in the career progression.
- The officers of ISS and IIS can be inducted/posted on deputation to the organisations which do not have a regular or organised Service for materials management. This would not only bring professional expertise to such organisations but also help improve the career prospects of ISS/IIS officers.
- Reservation of posts in the Ministry for any particular Service is not desirable. The posts in the Ministry must be available to the best talented officers of all eligible Services on merits. However, in line with our general proposition the post of Joint Secretary or Additional Secretary in charge of the cadre-management of these services may be earmarked for the Services.

50.133 The poor promotion prospects of existing directly recruited and other Assistant Directors Grade II (Rs.2000-3500) would not improve if direct recruitment is dispensed with. While this would improve the promotion prospects of feeder cadres, it would also dilute the standards since direct recruit ADS(Gr.II) are engineering degree holders. We, however, recommend that__

- (i) Direct recruitment to the post of ADS(Gr.II) be dispensed with but only engineering degree holders among the feeder grades be considered for promotion against the posts of ADS(Gr.II).
- (ii) The existing stipulation that at least 20% of the promotion quota of the posts of ADS-II be filled by transfer on deputation from officers holding analogous posts in departments which place indents on DGS&D, be dispensed with.

*Subordinate
engineering posts*

50.134 The pay scale of Examiner of Stores and Technical Assistants being engineering diploma holders is proposed to be revised to Rs.1600-2660 in accordance with our general recommendations in this regard. The pay scale of Estimators (which is a promotion post for Technical Assistant) is consequently proposed to be Rs.1640-2900 in present terms.

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Inspection Wing		
Examiner of Stores	1400-2300	1600-2660 1640-2900
Assistant Inspecting Officer	2000-3500	2000-3500 Assistant Inspecting Officer Grade II 2500-4000 Assistant Inspecting Officer Grade I
Supply Wing		
Technical Assistant	1400-2300	1600-2660 1640-2900
Estimator	1600-2660	1640-2900
Assistant Director Grade II	2000-3500	2000-3500 Assistant Director Grade II 2500-4000 Senior Assistant Director Grade II

MINISTRY OF RAILWAYS

- Indian Railway Service of Engineers (IRSE)
- Indian Railway Service of Mechanical Engineers (IRSME)
- Indian Railway Service of Electrical Engineers (IRSEE)
- Indian Railway Service of Signal Engineers (IRSSE)
- Indian Railway Stores Service (IRSS)

%age share in total duty posts
(as per Annual Statistical Statement Rly. Bd. 1994-95)

	IRSE	IRSME	IRSEE	IRSSE	IRSS
JTS	51.53	49.09	47.59	47.22	45.59
STS	24.46	23.49	23.87	27.87	30.43
JAG	17.73	20.01	22.52	18.29	16.07
NFSG					
SAG	05.56	06.52	05.38	05.94	07.38
HAG	0.72	0.87	0.64	0.67	0.53

Threshold as on 01.07.1995 (DOP & T)

JAG	1985	1985	1985	1984	1986
NFSG	--	--	--	--	--
SAG	1976	1975	1976	1976	1976
HAG	1963	1963	1963	1963	1963

50.135 The Ministry of Railways in their official memorandum submitted to us has pleaded for utilisation of expertise acquired by the railway engineers by posting them on deputation to other departments where no organised engineering services exist and to Public Sector Enterprises requiring engineers. The Ministry has also brought to our notice the relatively poor career prospects of railway engineers compared to officers of All India Services. The Ministry has argued that

in this era of liberalisation when the country has chosen the path of market economy to quicken the pace of development, it is essential that professionalism be encouraged and specialised services be given their due place by granting parity with All India Services in the matter of promotion prospects and career opportunities.

*Our
recommendations*

50.136 We have examined the organisation of Indian Railways in detail in our Chapter on the Ministry of Railways and have given due consideration to the problems and issues raised by the Ministry. We also note with concern that the last cadre review of Group 'A' organised railway services was done as far back as in 1986. We would like the Ministries of Finance and the Department of Personnel to expedite the pending cadre review of railway services. However, in keeping with our general approach of providing a symbolic relief to services, we recommend following upgradation of posts for engineering services in Railways:-

i) One post each in RDSO and Group 'A' training institutions from SAC(Rs.5900-6700) to HAG (Rs.7300-7600) as mentioned below:

Indian Railway Service of Engineers	- Director, Standards (Track) RDSO - Director, Indian Railway Institute of Civil Engineering, Pune
Indian Railway Service of Electrical Engineers	- Director, Standards(Electrical) RDSO - Director, Indian Railway Institute of Electrical Engineering Nasik
Indian Railway Service of Signal Engineers	- Director, Standards(Signalling), RDSO - Director, Indian Railway Institute of Signal Engineers, Secunderabad
Indian Railway Service of Mechanical Engineers	- Director(Motive Power) RDSO - Director, Indian Railway Institute of Mechanical and Electrical Engineers

Further, our general recommendations with regard to deputation of Group 'A' officers to PSUs would be applicable to engineers in Railways.

*Recruitment of
Special Class
Railway
Apprentices in
Indian Railway
Service of
Mechanical
Engineers*

50.137 The recruitment to all Railway Engineering Services (except Indian Railway Service of Mechanical Engineers) is done in following manner:-

Direct Recrt.	60% through Combined Engineering Services Examination conducted by UPSC.
Promotion	40% Selection from eligible Group 'B' officers.

In case of IRSME the direct recruitment quota of 60% is filled as under:-

- by Combined Engineering Services Examination held by UPSC 50%; and
- by appointment of candidates selected as Special Class Railway Apprentices(SCRA) on the results of a competitive examination held by the Commission 50%.

For selection of SCRA, a candidate must have passed in the first or second division the Intermediate Examination of a University or Board approved by Government with Mathematics and at least one of the subjects Physics and Chemistry as subjects of the examination, or possess a qualification which has been recognised by Government for the purposes of admission to the examination.

Our recommendations

We understand that the Apprentices recruited in IRSME have contributed significantly to the growth and development of Railways. However, in our view, the recruitment of Apprentices for induction into Group 'A' Service is an outdated concept. With the spread and proliferation of engineering/technical education and institutions, it would be highly desirable that this method of recruitment be reviewed. In fact, in a modern technological world where engineering specialisations within different disciplines are emerging, it would only be appropriate and in the interest of the organisation that the engineering graduates passing out of IITs and Engineering Colleges are attracted to Railway Services through Combined Engineering Services Examination of UPSC. We, therefore, recommend that the Railway Administration dispense with recruitment of SCRA's and that the direct recruitment quota in Indian Railway Service of Mechanical Engineers be filled through Combined Engineering Services Examination only. The Indian Railway Institute of Mechanical and Electrical Engineers, Jamalpur will, however continue for training of probationary officers recruited through Combined Engineering Services Examination of UPSC.

Subordinate Engineering Cadres

50.138 We have discussed the pay scales of Diploma engineers in Railways in the Chapter on the Ministry of Railways. A typical pay structure as recommended by us and designations of diploma engineers recently decided by the Ministry in consultation with the recognised labour federations is given below:-

Existing Designation	Existing Pay Scale (Rs.)	Changed Designation	Recommended Pay Scale (Rs.) (In present terms)
Inspector of Works, P. Way Inspector, Signal Inspector Gr. III	1400-2300	Jr. Engineer Gr. II (With appropriate Suffix)	1600-2660
IOW, PWI, SI, etc., Gr. II	1600-2660	Jr. Engineer Gr. I (With appropriate Suffix)	1640-2900
IOW, PWI, SI Gr. I*	2000-3200	Section Engineer (With appropriate Suffix)	2000-3500
Chief IOW, Chief PWI, etc.	2375-3500	Sr. Section Engineer (With appropriate Suffix) Group 'B' post	2375-3750 2500-4000

*(part recruitment of graduate engineers)

DEPARTMENT OF SCIENCE AND TECHNOLOGY

Survey of India

	JTS	STS	JAG	NFSG	SAG	HAG
% age share in total duty posts	28.13	47.09	11.62	11.01	1.83	0.31
Threshold as on 1.7.1995			1983	1982	1964	NA

Last cadre review for the Service was done in 1985.

50.139 A large number of Group 'A' posts in the Survey of India are manned by army officers seconded from the Corps of Engineers. These officers retain their lien in the army and their pay is regulated under a special formula. The civilian engineering officers of the organisation have expressed their dissatisfaction against their bleak promotion prospects and army officers drawing much higher pay than their civilian counterparts in the same or higher grades of pay. The officers have alleged delay in holding of DPCs and consequent non-filling of large number of posts.

50.140 It has been explained to us that Group 'A' Service in the Survey of India has been streamlined by bifurcation into two streams - Army and Civilian - with the promulgation of new recruitment rules in 1989. However, it has been acknowledged that this bifurcation did not provide relief to Civilian officers but rather created further complications. It has been suggested that the remedy to the problem can be found if there is no permanent secondment of Army Officers who can be trained and sent back to the army.

50.141 We have separately considered and recommended progressive civilianisation of the Survey of India. The manner in which this civilianisation is proposed to take place has also been indicated by us in the relevant Chapter. Meanwhile, we reiterate the recommendation of the third CPC on regulation of the pay of army officers under normal deputation terms. We also expect that the Department will hold DPCs regularly and fill all vacant posts on a crash programme basis to provide relief to Group 'A' and Group 'B' officers in the organisation.

Subordinate
technical posts

50.142 The pay structure of subordinate scientific and technical posts is recommended as under:-

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Surveyor Assistant/Scientific Assistant/ Geodetic Computer/Draftsman Div. I	1400-2600	1600-2660 Grade II 1640-2900 Grade I
Office Surveyor	2000-3500	2000-3500 Office Surveyor Grade II 2500-4000 Office Surveyor Grade I

MINISTRY OF INDUSTRY

Technical
Officers of
erstwhile

50.143 The Directorate General of Technical Development (DGTD) was an attached office of the Department of Industrial Development, Ministry of

*Directorate
General of
Technical
Development
(DGTD)*

Industry. The organisation was originally set up in 1950 as the Development Wing of the erstwhile Ministry of Commerce and Industry. In recognition of the pivotal role played by the organisation in the overall Industrial Development, it was reconstituted into the Directorate General of Technical Development and placed under the charge of an independent Head designated as Director General (Technical Development). Gradually, as the role of the DGTD in the planned and integrated industrial development of the country assumed greater significance, the post of the head of the organisation was upgraded to the Secretary (Technical Development) & Director General (Technical Development) in 1973. The organisation continued till 31.3.1994 when it was dismantled.

Functions

The regulatory role performed by the Technical Officers prior to 1991 is no longer relevant. However, their advisory and developmental functions are still valid. The functions performed by these officers at present are as under:-

1. To provide technical inputs on industrial Licenses, foreign collaboration and 100% Export Oriented Units(EOU) proposals.
2. Technical information related to Foreign investment Promotion Board (FIPB) proposals.
3. Coordination of Development Councils.
4. Work related to Export Promotion Capital Goods Committee, Export Processing Zones and other Export Promotion Councils.
5. Technical Advice on bi-lateral operations/agreements.
6. Work relating to Directorate General of Foreign Trade, Commerce, Custom and Excise.
7. Interaction with Ministry of Science & Technology on technology evaluation and technology transfer related issues.
8. Implementation of Montreal Protocol through representation on various Committees constituted by Ministry of Environment and Forests for identifying projects for assistance from the Multilateral Fund.
9. Coordination with other Departments on energy conservation measures in industrial sectors.
10. Coordinating the efforts of automobile ancillaries for adopting environmental friendly technologies in automobile sector.
11. Technical advice on input-output norms, project import certification for custom tariff purposes and advance licenses for export production.
12. Providing technical inputs for Parliament work.
13. Entrepreneurs Guidance.
14. Technical inputs to Bureau of Indian Standards (BIS) in

formulation/amendment of standards

- 15 Work related to industrial development in Co-ordination Division for different States
- 16 Participation in foreign investment promotion, seminars, exhibitions and Workshops.
- 17 To render technical advice on matters referred to by other Ministries/Departments to Ministry of Industry from time to time.

Cadre Structure 50.144 The Ministry has informed us that there is acute stagnation in the cadre of Technical Officers and period of stagnation ranges from 4 years to 15 years at different levels.

Cadre Structure:-

Assistant Development Officer(Rs.2200-4000)	22
Development Officer(Rs.3000-4500)	25
Additional Industrial Adviser (Rs.4100-5300)	03
Industrial Adviser(Rs.4500-5700)	05
Total	55

Our recommendations

50.145 The technical officers of the Ministry of Industry would be covered by the general scheme of Assured Career Progression. This would provide them some relief.

50.146 We do not accept the suggestion for upgradation of the 50% posts of Assistant Development Officers(JTS) and Development Officers(STS) made by the association of the technical officers.

50.147 However, the pay scale of Additional Industrial Adviser may be rationalised and revised from the existing Rs.4100-5300 to Rs.4500-5700. Consequently, the pay scale of Industrial Advisers be upgraded from Rs.4500-5700 to Rs.5100-6150 in present terms and the posts of Development Officers be segregated as under:-

Existing	Proposed
Development Officers (Rs.3000-4500) (25)	Development Officers (Rs.3000-4500) (15)
----	Sr. Development Officers (Rs.3700-5000) (10)

MINISTRY OF SURFACE TRANSPORT

Border Roads Engineering Service (BRES)

	JTS	STS	JAG	NFSG	SAG	HAG
% age share of total duty posts	67.65	23.48	7.39		1.31	0.18
Threshold as on 1.7.1995	—	—	1967	1964	1963	1963

50.148 Majority of the officers in BRO belongs to the Border Roads Engineers Service (BRES) (Civil Engineering and Electrical & Mechanical Cadre). As per the manning policy, following percentage of sanctioned posts are tenable by Army and BRES Officers :-

Appointments	Tenable by Army Officers	Tenable by BRES Officers
Director General	100%	—
Addl. Director General	—	100%
Chief Engineer/Brigadier	50%	50%
S.E.(SG) Colonel	55%	45%
S.E./Lt. Colonel	55%	45%
E.E./Major	35%	65%
A.E.E./Captain	20%	80%
A.E./Lieutenant	—	100%

50.149 In the Electrical & Mechanical Wing the highest rank which is tenable by BRES Officers is Supdt. Engineer (Mechanical) (SG). As per manning policy, the following percentage of sanctioned posts are tenable by Army/GREF Officers :-

Brigadier (DTA)	100%	—
Supdt. Engineer (Mechanical) (SG) Colonel	50%	50%
Supdt. Engineer (Mech.)/Lt.Colonel	50%	50%
Executive Engineer (Mech)/Major	42%	58%
A.E.E. (E&M)/Captain	20%	80%
A.E. (E&M)/Lieutenant	—	100%

50.150 It has been strongly represented by the BRO Officers that the time taken for promotions from one rank to the next higher rank is very long as compared to other Engineering Services which makes the BRES unattractive and they prefer to seek other avenues/service where the promotions/ remunerations are much better.

50.151 They have further demanded removal of disparities of rank vis-à-vis Army by marking Superintending Engineer (E&M)/(Civil) (SG) as functional and suggested creation of posts of Additional CE (Civil)/E&M in the scale of Rs.5100-6300.

50.152 In our opinion, the proposed ACP upto non-functional selection grade would provide some relief. Last cadre review for the Service

was done in 1986. We recommend a time-bound early review of the cadre for improving the career prospects of the Service.

In our opinion, the proposed creation of an additional level of Additional Chief Engineer would not serve any meaningful purpose.

Subordinate
Engineering
Cadre

We propose following pay structure for the subordinate engineering cadre:

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Superintendent Grade II (Electrical and Mechanical)	1400-2300	1600-2660
Superintendent Grade I	1640-2900	1640-2900
Assistant Engineer	2000-3500	2000-3500 Assistant Engineer Grade II 2500-4000 Assistant Engineer Grade I

MINISTRY OF MINES

Geological Survey of India

	JTS	STS	JAG	NFSG	SAG	HAG
% age share of total duty posts						
Mechanical	29.41	50		17.65	2.94	
Drilling	57.03	26.56		14.84	1.56	
Threshold as on 1.7.1995						
Mechanical			1974	1964	1964	NA
Drilling			1978	1966	1964	None

50.153 Geological Survey of India is a field oriented organisation responsible for collection, collation, processing and dissemination of earth science data besides being a lead agency in the field of resource evaluation of mineral wealth in the country. Geological Survey of India (a multi-disciplinary scientific organisation) consists of five scientific streams viz. geology, geophysics(Exploration), Geophysics(Instrumentation), Chemistry and Mineral Physics and two technical streams viz. Engineering and Drilling. Mechanical Engineers working in the Engineering and Transport Division(E&T) Division and Drilling Division of Geological Survey of India are recruited through Combined Engineering Services Examination, but their career growth, perks etc., are much inferior to their counterparts in other ministries.

50.154 We have considered the organisational restructuring of Geological Survey of India and made recommendations in this regard in the Chapter on the Ministry of Mines. This would cover some of the issues raised by the engineering officers of the organisation. However, to improve the career prospects and rationalise the organisational functions, we recommend the merger of the posts of Mechanical and Drilling engineers into one service.

Subordinate
Engineering
Cadre

We recommend following pay structure for subordinate engineering cadre:

Designation	Pay Scale (Rs.)	
	Existing	Recommended (in present terms)
Mechanical Stream		
Foreman Junior	1400-2300	1600-2660
Senior Foreman	1640-2900	1640-2900
Assistant Mechanical Engineer	2000-3500	2000-3500 Assistant Mechanical Engineer Grade II 2500-4000 Assistant Mechanical Engineer Grade I
Drilling Stream		
Junior Technical Assistant(Drilling)	1400-2300	1600-2660
Senior Technical Assistant(Drilling)	1640-2900	1640-2900
Driller	2000-3500	2000-3500 Driller Grade II 2500-4000 Driller Grade I

Conclusions

50.155 We have not suggested any change in Group 'A' pay scales in present terms but in subordinate engineering cadres, following different patterns have emerged:-

Pattern No.1 (CPWD, P&T Civil Wing, MES, Information & Broadcasting, etc.)

Pay Scales	
Existing Rs.	Proposed Rs.
1400-2300	1600-2600
1640-2900	1640-2900
2000-3500	2000-3500
	2500-4000
3000-4500 (Gr. 'A' STS)	3000-4500

Pattern No.2 (Ordnance Factories)

1400-2300	1600-2660
1600-2660	1640-2900
2000-3200	2000-3500
2375-3500	2375-3750
2200-4000	2200-4000
(Gr. 'A' JTS)	Gr. 'A' JTS)

Pattern No.3 (Railways and Indian Naval Armament Supply Organisation)

1400-2300	1600-2660
1600-2660	1640-2900
2000-3200	2000-3500
2375-3500	2375-3750
2000-3500*	

2375-3750** | 2500-4000
(Group 'B')

* NASO ** Railways

(Note: There is no segregation of Group 'A' and Group 'B' posts in Junior Time Scale in Railways. A Group 'B' officer when occupying the Junior Time Scale post, is granted the pay scale of Rs.2375-3750 and on selection into Group 'A' service, is placed in appropriate Group 'A' pay scale (JTS or STS).

The pattern of pay structure obtaining in Railways would also be available in scientific cadres of Directorate General of Quality Assurance (DGQA) and Defence Research and Development Organisation (Ministry of Defence).

Promotion Patterns of Subordinate Engineering Staff

The following patterns have emerged as a result of recommendations made by us:-

Pattern No.1: Time-bound Promotions:

CPWD-pattern of time-bound promotions which envisages first time-bound promotion after 5 years of service to the second pay scale of Rs.1640-2900 and subsequent personal promotion to the third pay scale of Rs.2000-3500 after another 10 years is now available to following three cadres:-

- i) P&T Civil Wing
- ii) Information & Broadcasting (Civil and Electrical Engineers)
- iii) MES (Building and Roads and Survey Wings)

Pattern No.2: ACP Scheme.

It involves financial upgradations (not promotions) and is proposed to be made available to all other cadres under the proposed Assured Career Progression Scheme.

Pattern No.3: Department of Telecom:

One Time-Bound Promotion and Biennial Cadre Review Scheme would be available to the staff of the Department of Telecom not opting for absorption in 'restructured cadres'.

The cadres covered by the CPWD pattern of promotion would have a distinct advantage since they would be getting promotions in shorter time span compared to financial upgradations of ACP scheme and that too without any linkage to the availability of posts. However, this is proposed to be retained and is intended to ensure that certain benefits already available are not withdrawn to the detriment of the interests of the personnel concerned. This is to be a departure from the normal ACP Scheme in respect of residency period only.

Scientific Services

51.1 Scientific services exist in organisations concerned with work relating to basic or applied research, experimental development and design and engineering. There are over 32,800 scientific and technical personnel, in various pay scales ranging from Group A to Group D. Almost half of these are in Group A, in the 10 major S&T Ministries/Departments/Organisations, viz. the Ministries of Environment & Forests and Non-conventional Energy Sources, and the Departments of Space, Atomic Energy, Electronics, Science & Technology, Biotechnology, Scientific and Industrial Research and Ocean Development and the Defence Research & Development Organisation. These organisations enjoy considerable freedom in framing their administrative and personnel policies, including career management. There are some other Ministries and Departments also, which engage groups of S&T personnel.

Scientific Services

51.2 The Second CPC defined Scientific officers as those employed on different kinds of duties such as research, scientific development, extension and survey. At higher levels their duties included administration, direction and supervision. The minimum qualifications required for recruitment to Class I Junior Scale posts was usually a first class Master's degree followed by good research work, with higher standards of research for higher positions. The Second CPC suggested a special merit promotion scheme for promotion of scientific personnel.

51.3 The Third CPC covered a larger number of activities as scientific, including basic and applied research, extension, survey exploration and inspection. That CPC also observed that many scientists served in an advisory capacity, where their work may be concerned with such diverse fields as economic planning and internal security. It also emphasised that scientific careers should be based on creativity and merit rather than seniority, thus evolving the concept of Flexible Complementing.

Demands

Issues raised in memoranda

51.4 Various memoranda to the Commission have stressed on the need for a better dispensation to the scientific services, in the form of pay-scales, career progression, conditions of service and perquisites, special allowances, superannuation age and post-retirement benefits. Some memorandists have pointed out the mismatch between the prescribed educational qualifications and pay-scales on the one hand and comparisons across different scientific organisations inside and outside the Central Government, on the other. Many of these posts are "dead-end" isolated posts, devoid of any career charms, thus resulting in demands for upgradation and provision of promotion avenues, along with grant of certain special perks and allowances to keep scientific services attractive. Creation of an all-India scientific service has also been sought along with general parity with the other All-India and organised services, as also standardising designations to conform with Secretariat job titles. Scientific personnel who appeared before us for evidence requested for permission to take up membership of professional bodies, subscribe to journals, attend national and international conferences and avail themselves of sabbatical, as available in the universities, for constantly upgrading their knowledge and professional expertise. Permitting voluntary retirement with lesser qualifying service for scientific personnel has been demanded along with increase in age of superannuation for continuity and longevity of scientific knowledge and experience in Government. Scientists have also asked for lateral movement from Government to industry and vice-versa including permission to take up private consultancy, recognition of outstanding talent, membership of national/ international bodies and attending national/ international conferences at Government expense, and a system for recognising outstanding talent in Government. Grievances have also been voiced against the functioning of the Flexible Complementing Scheme, not only stressing the need to make it uniformly applicable, but also to extend it to all organisations that have been declared scientific by the nodal Ministry.

Secretaries of Scientific Ministries

51.5 A group of Secretaries of Scientific Ministries and Departments, at a meeting with us, highlighted the provisions of the Scientific Policy Resolution which mentioned good career and conditions of service for scientists, and Parliament's approval to give scientists an honoured place. The group also recognised the need for an economic package for attracting and retaining scientists in Government as there is flight of talent to multinationals, other countries and careers. On our suggestion the group agreed to organise an inter-Ministerial Committee of the Scientific organisations to deliberate on the problems and advise us on the desired course of action.

Rationalisation of Terminology

51.6 We find that a large number of organisations have been covered by the term "scientific organisation" employing "scientific personnel". We have, therefore, considered the feasibility of rationalising the terminology of "scientific services" so as to focus more sharply on the activities of scientific research and development.

Consultancy Study on Scientific and Agricultural Research

51.7 Given the emerging scenario, the views of the Secretaries of the scientific Ministries and departments, the previous CPCs, and the demands in memoranda, we commissioned the Indian Institute of Science, Bangalore, to study the career profile, appraisal and compensation practices for the S&T personnel in the Central Government, and work out policy alternatives to make scientific career in Government more attractive. In doing so the Institute was also advised to evaluate the recommendations made in the past by various Commissions, Committees and Departments, on the subject. We have kept in mind the suggestions made by the Consultancy Study, in making our recommendations.

Inter-Ministerial Committee

51.7 In pursuance of our request to the Group of Secretaries the Department of Science and Technology constituted an Inter-Ministerial Committee constituted in the year 1995, comprising representatives of the major scientific departments, under Shri Y.S.Rajan, Adviser in the Department to examine the issues involved and suggest measures to make the scientific and technological careers more attractive. It was also expected to suggest new initiatives that S&T departments can take for attracting and retaining scientific talent in Government. The Committee made various suggestions which have also been kept in mind by us while giving our recommendations.

Our Recommendations

*Categorisation of
scientific
personnel*

51.8 We are of the opinion that Scientific and Technological personnel can be organised into two broad fields of activity - the Scientist Administrator and the R&D Professional, depending on type of organisation and the kind of activity involved. The former would usually be manning posts in the Secretariat and Headquarters organisations entrusted with administering and guiding science and also providing administrative and logistic support to the latter. R&D professionals, on the other hand, are primarily involved in knowledge generation and application of knowledge to create new products, materials and services. We have defined the term R&D professional rather elaborately in the section on Flexible Complementing Scheme.

Organised service

51.9 The Second CPC observed the existence of 929 scientists at Class I level, of which 513 formed part of five organised scientific services, namely the Defence Science Service, Indian Meteorological Service, Botanical, Geological and Zoological Surveys of India. The Defence Science, Geological Survey and India Meteorological services were organised up to the Group B level also. That CPC considered the matter of constitution of an All India S&T Service but found the proposal impracticable in view of the requirement of common qualifications, gradation lists and interchangeability. The scientific services do not have these features because of specialised qualifications in different branches resulting in wide variations in nature of duties. By the time of the 4th CPC, the Defence Science service was split into three, namely the Defence R&D service, Defence Aeronautical Quality Assurance service and Defence Quality Assurance service.

The inter-Ministerial Rajan Committee has also observed that an All India service covering all S&T personnel in various Government Departments and agencies is not feasible as accumulated experiences in different fields of activity have very specific applications. While we do not consider a single service of R&D professionals or S&T personnel as feasible, we recommend that where the number of posts is substantial and a common field of activity is involved, an organised service for that field of activity should be constituted.

Membership of National and International Bodies and attending National and International Conference.

51.10 Both the inter-Ministerial Rajan Committee as also the Consultancy Study have suggested that constant upgradation of scientific knowledge is central to overcoming the problem of obsolescence. The Fourth CPC had recommended that some incentive should be given to employees in general who acquire qualifications which are useful for their work and contribute to their efficiency. We have recommended elsewhere for all Group A Officers a general scheme regarding meetings of National and International Bodies. The Group A S&T Officers should similarly be granted permission to become members of one national and one international institution or society, duly recognised, approved and listed by the concerned authorities and the subscription made on such memberships may be fully reimbursed by the Government. Approval and recognition of such bodies for membership should be based on an integral relationship between the specialisation practised by the officer concerned and the nature of the national/international bodies to which membership is sought. Attending national and international conferences by R&D professionals should be encouraged in order to provide opportunities to them to enhance latest knowledge and skills, present and obtain papers in R&D conferences and enhance creative capacity. We recommend that R&D professionals should be encouraged to attend at least one national conference every two years and one international conference every four years at Government expense. Care should be taken by the organisation concerned that such attendance is only at conferences of substantial standard. The authority competent to approve the participation should accord timely approval. Such conferences when held in India should not lead to the normal work of the organisation being disturbed.

Sabbatical

51.11 Sabbatical, a kind of leave granted at intervals, is presently available to the trading faculty in the higher teaching institutions and universities. Government officers, including S&T personnel are presently covered by provisions of Study Leave or training on subjects directly related to duties. We recommend that a Sabbatical should also be permitted in addition only to R&D professionals on the lines already available in the Universities. The total period of sabbatical in the entire career should not exceed two years and the period of sabbatical on any one occasion should not exceed one year. During the sabbatical, the officer may draw a stipend for local expenses but should not be allowed to take up a job.

Consultancy

51.12 Permission to take up consultancies has been sought for lateral movement on the analogy of mechanisms existing in the autonomous and higher teaching institutions in other sectors. We are aware of the existence of similar schemes of research and advisory consultancy on institutional basis provided to the academic staff in the Indian Institutes of Technology, Council for Scientific and Industrial Research, etc. We have already observed in our discussion elsewhere in this chapter that linkages between scientific research and industry are likely to

play a crucial role in socio-economic transformation in the future. We accordingly recommend that R&D institutions should draw up their own consultancy schemes based on the following broad parameters:-

- i) No individual should be permitted to undertake consultancy assignments independently. Only institutional consultancy assignments may be permitted;
- ii) Institutional Consultancy should be confined to R&D institutions and consultancy teams should consist of R&D professionals only;
- iii) The team of R&D professionals should be selected by rotation by the concerned Institution receiving the assignment;
- iv) The apportionment of the Consultancy fee should be done in such a manner that 75% of the amount is retained by the institution (after deducting the actual costs, and cost of infrastructure) and the remaining 25% is given to the consultancy team;
- v) The period spent on consultancy by an individual R&D professional should not exceed 30 days in a year; and
- vi) The consultancy fee received by an individual in a financial year should not exceed his three months' gross emoluments.

Scientist Emeritus

51 13 An institutionalised system of recognising outstanding and exceptional scientific talent in ways other than career progression, increments, etc. has been sought on the lines of gallantry awards for the Armed forces, Police and civilian awards. The Consultants have suggested two ways of recognising high performers. First, to relax the conditions in the merit-based promotions, and the second to award the status of "National Scientist" or "Eminent Scientist", by granting free access to research through liberal travel perks, networking, etc. for periods beyond usual service. Some of the autonomous scientific institutions like the CSIR, UGC, AICTE, ICAR, etc. have already instituted certain schemes in recognition of scientific talent, such as Emeritus Scientist (CSIR), National and Emeritus Fellowships (UGC), National Chairs in the AICTE and Emeritus Scientist in the ICAR. On a study of the provisions of the different schemes, we are convinced that such a scheme in the Central Government would be of immense use in not only attracting and retaining scientific talent, but also getting the best out of such talent. We recommend that a scheme of Scientist Emeritus should be introduced only for superannuated scientists of exceptional merit warranting national recognition. They may be permitted to draw pay of Rs. 8000 (fixed) for a period of 5 years after superannuation, with the freedom to travel to any research institution in the country or abroad as per entitlement at that level, for purposes of research. The total number of "Scientists Emeritus" in Government should, however, be limited to a maximum of 5 at any given point of time, who will be drawn from among the R&D professionals of Central Government beyond the levels of FCS.

*Standard
Designations*

51.14 The demand for standard job titles envisages the ex-officio designations of Deputy Secretary, Director, Joint Secretary, etc. in view of the performance of secretariat jobs and dealing with secretariat counterparts in addition to performing S&T programme management. There is a range of designations presently available to Scientists and R&D professionals, like Advisors, Joint Advisors, Deputy Advisors, Scientist/Engineers, Joint Directors, Assistant Directors, Scientific Officers, Research Officers, etc. The Consultancy study has pointed out the non-standard job titles as one of the disincentives to a scientific career. Eminent scientists, during oral hearing before us, have also expressed a desire that designations should conform to the job requirements. The earlier CPCs did not consider this matter. We agree with the view that there ought to be standard designations. Scientific activity is broadly observed to be performed in three major fields - Operations and Applications, Scientific and Technological Advice, and Management of Scientific and Technological Missions and Programmes. The Operations field of activity either renders services directly to the public or engages in field activities to be used directly for the benefit of the public, like Survey organisations, Public works, Civil, Electrical and Irrigation Services and Projects, Locust and Cyclone Warning systems and forecasts, etc. Some organisations are engaged in providing scientific and technological consultancy, aid and advice in their respective fields of activity, which we may refer to as the Advisory Field. The Programme Management field would cover such activities as are identified with a definite beginning and definite end in accordance with a plan, including the scientific and technological missions and projects. **We recommend that standard designations should be adopted among scientist administrators. Our recommendations in this regard, based on pay-scales, are as given in Annexe 51.1.**

Flexible Complementing Scheme

*General
introduction and
objectives*

51.15 On the recommendations of the Third CPC this scheme (FCS) was introduced for scientific services for promotion from one grade to another after a prescribed period of service on the basis of proven merit and ability irrespective of the occurrence of a vacancy. Initially introduced in a few scientific Departments and autonomous bodies engaged in scientific research and development activity, the scheme has now been extended to ten major S&T Ministries, Departments and organisations, as also some scientific personnel in other organisations. The guidelines on the subject stipulate that FCS can be introduced for scientific personnel in organisations declared as S&T institutions by the Department of Science and Technology, which perform scientific activities of research and development and other activities closely linked thereto. The scheme is fully flexible from the entry level of Group A, i.e. Scientist B (Rs.2200-4000) to the higher SAG level of Scientist H (Rs.5900-7300). In some organisations, the designations have been adopted differently.

*Distortions in the
scheme*

51.16 The scheme as originally formulated by the Third CPC and subsequently implemented envisaged the requirement of uniform application and extension to all scientific posts except those pertaining to administrative and advisory functions in the Ministries and Departments. It also required that the operation of the scheme should not result in structural distortions.

<i>Disparities</i>	51.17	In a very large number of memoranda received by us the organisations have demanded extension of the FCS to them in view of their declaration as S&T organisations. A number of disparities have also been pointed out between the S&T organisations within the FCS mechanism. Besides, memorandists have also asked for a general parity between the scientific and the all-India services in terms of pay-scales and career progression.
<i>Suggestions made in the past</i>	51.18	A number of working groups and committees have at various times gone into the working and inadequacies of the scheme and made suggestions for improvement of its different mechanisms. The most recent one among them was the sub-Group of the Scientific Advisory Committee to the Cabinet (SACC), which pointed out a number of distortions including lack of uniformity in application, number of pay scales, residency periods, etc. It also made suggestions on uniform application of the scheme and its criteria. We have kept in mind the suggestions made by the sub-Group in making our recommendations.
<i>Inadequacies of the existing provisions</i>	51.19	We have ourselves observed a number of inadequacies in the scheme. Organisations covered under the existing arrangements also face some distortions. First, with promotions granted under the Flexible Complementing Scheme for scientists, a large number of them tend to concentrate towards the middle or top of the FCS hierarchy, with efflux of time. Secondly, with activities not directly linked to research, experimentation or development, also covered by the scheme, there is flight of talent from these basic scientific activities to administrative and managerial positions. Thirdly, there is no clear distinction between S&T and non-S&T organisations, with the result that there is no standard application of FCS guidelines. The scheme has not been applied uniformly with regard to a number of parameters -scales of pay, residency periods, eligibility criteria and appraisal and assessment procedures, designations, dates of effect and application of guidelines. In certain organisations FCS has also been extended to Scientific Staff, albeit in a limited way.
<i>R&D professionals</i>	51.20	We first take up the question of defining R&D organisations, personnel and activities. We have already brought out the distinction between the Scientist administrator and the R&D professional. We suggest that an R&D professional should be defined as a person who possesses academic qualifications of at least Master's degree in Natural, Agricultural or Social Sciences, or a Bachelor's degree in Engineering, Technology or Medicine, including scientists, engineers, doctors and other research professionals, and who while working in those capacities creates new scientific knowledge and innovative, engineering, technological or medical techniques, including persons with scientific and technological training engaged in professional research and development work predominantly throughout their working lives. Only Executives fulfilling the eligibility criteria will be covered under one definition of R&D profession. For purposes of application of the FCS, there is also need to define R&D posts, activities and organisations, which has been given in Annexe 51.2. We recommend that these definitions should be adhered to while applying the modified Flexible Complementing Scheme as suggested by us in the forthcoming paras.
<i>Parity with All India Services</i>	51.21	On the question of parity in the scales of pay in the scientific services and the all-India and organised Group A Central Services, we observe that the scales of pay of Rs.4100-5300, Rs.5100-6300 and Rs.5900-7300, have been

adopted under the FCS in some organisations, and not in others, besides "special scales" created by some of the Scientific Departments for merit promotions. The inter-Ministerial Rajan Committee has not seen any reason to disturb the present relativities in the two streams. In our general recommendations on scales of pay in the relevant chapters we have suggested rationalisation of some scales of pay. Later in this chapter, we have suggested measures to bring the scales to a uniform dispensation within the Flexible Complementing Scheme.

Modified Flexible Complementing

51.22 Since FCS in its present form has resulted in structural distortions and lack of uniformity in application in the identified organisations, we feel that there is need for revision thereof. A separate assured career progression scheme has been separately recommended for all categories. Considering the difficulty of lesser availability of posts at higher levels for scientists doing R&D work, we recommend a modified Flexible Complementing Scheme for R&D professionals at Group A level, in place of the existing scheme. The modified FCS should be made applicable to all eligible R&D professionals who work in fields of creative research activity throughout their service, in all Departments, including Space, Atomic Energy and Defence Research and Development Organisation, without special dispensations for individual departments. Professionals posted to Secretariats of Ministries and Departments, will be excluded from this scheme, and will be subject to the normal Assured Career Progression scheme. Organisations already declared as "S&T" and approved for FCS, other than the Secretariats Organisations will continue with the FCS in its modified form. FCS will not apply to personnel falling in the existing Group B,C & D categories for whom the provisions of ACP will apply.

Pay scales and residency

51.23 The scheme in its present form provides career progression over a varying number of pay scales in different organisations, and with differences in the residency periods, as given in Annexe 51.3. In certain organisations, enough pay scales are not available for eligible scientists to be promoted. Keeping in mind the need to provide quicker promotions at the initial stages of a scientific career, we recommend that the pay scales over which the modified FCS should be uniformly applied in all R&D organisations should be restricted to the following six, with the residency periods shown against each:-

1)	Rs.2200-4000	-	3 years
2)	Rs 3000-4500	-	4 years
3)	Rs.3700-5000	-	4 years
4)	Rs.4500-5700	-	5 years
5)	Rs.5100-6300	-	5 years
6)	Rs.5900-7300		

The scales of pay of Rs.4100-5300 and Rs.5900-6700, wherever provided for presently, will not be part of the modified FCS. All R&D institutions must adopt uniform residency periods indicated against each scale, and no departure therefrom should be permitted except to the extent indicated in the succeeding paragraphs.

Eligibility & Assessment criteria

51.24 The application of eligibility and assessment criteria has also left scope for uniformity to be introduced. Certain organisations, we observe, resort to proven merit as well as a minimum residency period, while others to the latter

alone. There are also differences in applying relaxations for exceptional merit for advancing promotions under the scheme, through assessments. We recommend that exceptionally meritorious candidates should be granted relaxation in residency period upto a maximum of two occasions in their entire career, the relaxation being of not more than one year on any single occasion. If a candidate is unable to qualify for advancement, he/she should be required to "cool-off" for a period of 3 years before being considered for the FCS on a second occasion at the same level. In case the candidate is unable to qualify on the second occasion he/she should again "cool-off" for another three years before being finally considered on a third occasion. Failure to qualify thrice at the same level, should disqualify the candidate permanently from the FCS and he/she should continue in the Assured Career Progression scheme. The Assessment criteria for advancement under the FCS should be strict requiring proven merit, evidence of progressive research work and performance in interview besides the minimum residency period. There should be no prior screening for referring eligible candidates to the Assessment Board. This will ensure that candidates are not blocked from consideration due to internal biases in the organisation. We recommend that Confidential Performance Appraisal Report (CPAR) Forms adopted by the DRDO should be uniformly used by all R&D institutions identified and approved for FCS.

*Composition and
meeting of
Assessment
Boards*

51.25 Dissatisfaction has been expressed on account of the regularity with which the Assessing Committees or Boards meet as also their constitution. Scientists have complained of delays in constituting the Boards as well as the capacity of Members to arrive at a balanced judgement. We recommend that Assessment Boards should be uniformly constituted for all assessment proposals, with at least 50% of the members being from outside the organisation where the proposal is to apply. Also 50% of the members of the Board must be subject-matter experts in the concerned field of activity. The Board should meet regularly every six months in January and July. All appointments under FCS should be on regular basis in all the scales and no ad-hoc appointments should be resorted to. The date of effect of promotions should be the date of eligibility/revised eligibility (as the case may be) for promotion, applying FR 22C, as modified by us, in the relevant chapter. Thus an R&D professional should not suffer due to delayed assessment.

Extension of FCS

51.26 Extension of the FCS has been vehemently demanded for scientific posts and institutions not yet approved for the scheme, though recognised as S&T, as also scientific groups in non-Scientific organisations, and other non-scientific posts in non-scientific organisations. We have specifically suggested exclusion of Scientist Administrators, non-R&D institutions, and Secretariats to be outside the purview of FCS, for whom the Assured Career Progression scheme will apply. While we are aware that our proposals are likely to result in withdrawal of the FCS from certain organisations, our intention is clearly to restrict it as fast track career only for those wholly engaged in R&D activities. Accordingly, we do not recommend extension of the FCS to organisations other than those presently covered by it. Those organisations so covered should also fall in line with the modifications that we have now suggested. The Department of Science & Technology, as the nodal agency for the purpose, should review all the existing and future proposals for application of FCS, as now recommended by us, for S&T institutions already recognised vide the 1983 orders.

*Standard
Designations*

51.27 The plethora of designations across organisations and the confusions created by them under the FCS have prompted us to suggest that there should be some uniformity in designating the levels under the FCS. For the Scientist Administrators stream we have already suggested a variety of standard designations. **We recommend that R&D professionals may be uniformly designated as follows at different levels:-**

Rs.2200-4000	P1
Rs.3000-4500	P2
Rs.3700-4500	P3
Rs.4500-5700	P4
Rs.5100-6300	P5
Rs.5900-7300	P6

*Objective
Assessment*

51.28 There is a simmering apprehensions among some scientists that FCS is being operated to favour a select few. Methods and procedures sometimes lack uniformity and reasons for rejection/selection are always confidential resulting in room for biased judgements and dissatisfaction with the system. The Fourth CPC had observed it was necessary to ensure that the system was based entirely on an objective assessment of merit and that it was not used merely to provide for career progression on a time-bound basis. While our recommendations on uniform pay-scales, residences and procedures will go a long way in dispelling these perceptions, we feel that there is need to make the system more open, objective, reasonable and transparent, to eliminate subjectivity and maximise satisfaction with the scheme, as far as possible.

SCIENTIFIC STAFF

*General
Introduction*

51.29 To support the effort of the offices engaged in Scientific activity there is a large number of scientific and technological staff. They are distributed across various Ministries, Departments, attached and subordinate offices, including national laboratories and field programmes. They assist scientific officers in setting up experiments, conducting various tests to ascertain physical, chemical and other properties of samples and in collecting information from various technical papers, field reports, surveys and documents for the purpose of planning new experiments, or assisting officers in writing technical reports, programmes and projects. Some of them are engaged in regulatory, training and extension type of work, such as food and drug control, agriculture extension, etc. Still others perform work of routine character like preparing reagents, conducting standardised tests, calibration and so on. The level of duties, however, does not vary to a great degree. They are usually recruited with basic qualifications of graduation or post-graduation in science, degree or diploma in engineering, or even matriculation with science, with or without special diploma, certificates, training or experience.

*Distribution of
Establishment*

51.30 Scientific staff man about 15,112 posts. Nearly one-third of them are part of a common category of laboratory technicians and staff, who have been covered elsewhere in this report. The remaining personnel are usually placed at the Group B and C levels between scales ranging from Rs 2375-3500 to Rs 1200-2040. They are also promotion posts for Laboratory staff and technicians and feeder grades to posts of Scientists and R&D professionals. A large number of designations and job titles exist under this category of staff in different

organisations, the most usual ones being Scientific/Technical/ Research Assistants (both Senior as well as Junior) and Officers.

Previous CPC's

51.31 The Second CPC observed that Class II posts are generally filled by direct recruitment though a small percentage is set aside for promotion. The incumbents are required to possess at least a Master's degree; Class III posts generally require a Master's degree or an Honours degree. That C.P.C justified a qualitative distinction between class II and lower posts on the basis of qualifications and duties. It also pointed out a difference in the work in National Laboratories, pertaining to long range problems of fundamental research. It recommended one scale as sufficient at the level of Senior Scientific Assistants and reduction in the number of scales for lower posts. That CPC also recommended relaxation in age to enable scientific staff to compete for higher posts and standardisation of designations. The Third CPC also recommended along similar lines, but attempted no direct distinction between laboratory and other S&T staff. It advised that 4 scales below the Group B Gazetted level were sufficient for this category of staff. Both CPCs pointed out the lack of promotion avenues in these grades on account of small cadres and isolated posts. The Fourth CPC did not make any observations on S&T staff except granting replacement scales under various Ministries.

Demands in Memoranda

51.32 A large number of demands made in memoranda received by us, concentrate on the issues of anomalies in pay-scales, isolation of posts, small cadres and multiple levels of direct recruitment, stagnation problems, organising the Scientific staff into a common service has been demanded along with extension of the Flexible Complementing Scheme, permitting private consultancy and grant of Non-practice allowance. Special allowances have been sought for higher qualifications, difficult postings, risk, conveyance, purchase of special journals and membership of professional bodies. Enhancement of the age of superannuation has also been demanded on account of higher achievements of scientific staff and a general increase in longevity.

Inter-ministerial Working Group

51.33 To analyse the demands made in memoranda, the implications thereof, and for examination of pay-scales, qualifications and designations, we constituted an inter-Ministerial Working Group on Scientific Staff with representatives of Ministries/Departments which have a substantial component of such personnel in their establishments. We have kept in view the Working Groups' suggested, in making our recommendations.

Multiple levels of direct recruitment

51.34 Direct recruitment among the scientific staff exists at almost every level of pay-scales and without any uniform linkage with qualification. We observe that some Post-graduate and engineering degree entrants are placed in the scale of pay of Rs.1400-2300, while some are placed in higher scales. The entry level of graduates in science also varies from the scale of pay of Rs.1200-1800 to Rs.1640-2900. Scientific staff have demanded that Ph.D. degree holders must uniformly be placed in Group A and Engineers in Group B Gazetted levels, irrespective of the post in which initial recruitment has taken place. The Second CPC favoured elements of direct recruitment at Class II and Senior non-gazetted positions based on a uniform application of qualifications. The 3rd CPC also based its recommendations on qualification. We have been informed that direct entry at too many levels creates problems of stagnation. We have not noticed Ph.D. as an essential minimum qualification at any of the Group B or C levels. Taking into

account various aspects, we recommend that for direct recruitment qualification should be prescribed uniformly as follows, as far as possible:-

	PAY-SCALE	SUGGESTED QUALIFICATIONS
1.	Rs. 950-1500	Matric + one-year certificate
2.	Rs. 1320-2040	Matric with Science + two-year diploma
3.	Rs. 1600-2660	B.Sc. Graduates/Dip in Engg.
4.	Rs. 2000-3500	Engineering degree/Post-graduation

Ministries should avoid prescribing very high or specialised qualifications against these posts as "essential". Posts at serial numbers 1 and 2 above usually exist in laboratories and in the field forming feeder grades to the other scientific posts. In view of the above recommendation, combined with rationalisation of certain scales of pay, we also recommend that direct recruitment should usually not be made in the scales of pay of Rs. 1350-2200, Rs. 1350-1800, Rs. 1400-2300, Rs. 1640-2900, and Rs. 2000-3200 except where functional requirements specially demand direct recruitment. Direct recruitment at the level of Rs. 2000-3500 should be reduced wherever justified, taking into account direct recruitment and stagnation at the immediately next lower levels. Direct recruitment at this level should not generally exceed 60%, and educational qualifications laid down for direct recruitment should apply to promotions also.

*Organised cadres
of S&T Staff*

51.35 Scientific staff have also demanded that they be made part of organised cadres, and small compartmentalised cadres and isolated posts should be avoided. It is observed that a very large number of posts in the S&T field at the non-gazetted level, require common general qualifications like B.Sc. or M.Sc.. Certain posts require more specific qualifications like B.Sc. (Agriculture) or B.Sc. with special diploma. We note that transferability throughout the country at these levels is generally not resorted to. It is also not practicable to organise a single service of these posts, because of very large numbers and specific requirements of Ministries. We, however, recommend that there should be no isolated post in Government. Ministries should draw officials either by having their posts declared as cadre posts, or by drawing officials of these services/cadres on deputation.

*Anti-stagnation
devices*

51.36 Compartmentalisation and isolation of posts have been cited extensively in memoranda as impediments to career progression. To overcome this problem, it has been suggested in these memoranda that Flexible Complementing Scheme as applicable to the Group A services should be extended to the other scientific and technical staff also. The Second CPC recommended a selection grade and age relaxation for direct recruitment of Central Government S&T staff as anti-stagnation mechanisms. The Third CPC did not favour filling the Class II posts entirely by promotion and suggested direct recruitment where experience of a particular kind is being sought.

We observe that certain organisations, like the DRDO, Department of Space, etc. have also introduced Flexible Complementing as a career progression measure for staff other than Group A. We have recommended above the appropriate entry levels and pay-scales for scientific staff. We recommend that direct recruitment at consecutive levels should be avoided as far as possible. It may be permitted only in cases where the number of posts of the next higher level is very large and cannot be allowed to be filled 100% by promotion. Scientific staff have often to rely on direct recruitment to higher posts for purposes of career advancement. It has been represented to us that such recruitment is not open to competition for most of the S&T staff, as vacancies are not only limited but there are also age limits at 35 and 40 years, which prevent senior and experienced personnel from applying. There is merit in the demand. Besides avoiding direct recruitment at consecutive levels, we recommend that departmental candidates should be permitted age relaxation for direct recruitment to higher posts of scientific and technical character upto 45 years. We also recommend that S&T posts at Headquarters and Secretariat should provide for deputation arrangements from attached and subordinate offices, as far as possible, before resorting to recruitment from outside. In view of our recommendations on the assured career progression scheme made in the relevant chapter, we recommend withdrawal of all existing arrangements of limited Flexible Complementing scheme for Group B,C,D Staff. Extension of FCS to posts other than the Group A R&D professionals is also, therefore, not recommended.

Non-consultancy Allowance

51.37 Scientific staff argue that there is scope of consultancy and private scientific creative work outside the sphere of official duty, and either such consultancy should be permitted or a Non-consultancy allowance, on the lines of NPA to doctors, should be granted. We note that NPA is granted to doctors for being available at all hours irrespective of duty timings. We are not convinced about the justification for private consultancy, as has been put forth by the scientific staff. We therefore do not recommend grant of Non-consultancy allowance to S&T staff.

General pay scales

51.38 Elsewhere in this report, we have also made our recommendations in the matter of general pay scales, risk allowance, allowances for rural and difficult postings, special pay for higher qualifications, age of superannuation etc.. We do not think that a separate dispensation, other than what has been recommended, is necessary to S&T staff in general. The relevant chapters may be referred to in this regard.

Annexe I
(See Para 51.14)

Pay Scale	Operations & Application	Advisory Field	Programme Management field
Rs. 8000/-	Director General	Adviser General	Controller General
Rs. 7300-7600	Director General/ Addl. Director General	Adviser General/ Addl. Adviser General	Controller General/ Addl. Controller General
Rs. 5900-7300	Joint Director General	Joint Adviser General	Joint Controller General
Rs. 5100-6300	Dy. Director General	Dy. Adviser General	Dy. Controller General
Rs. 4500-5700	Director	Adviser	Controller
Rs. 3700-5000	Joint Director	Joint Adviser	Joint Controller
Rs. 3000-4500	Dy. Director	Dy. Adviser	Dy. Controller
Rs. 2200-4000	Asstt. Director	Asstt. Adviser	Asstt. Controller

Definition of R&D Professionals & Posts

The terms R&D professionals, R&D post, activity and organisations may be defined as follows -

- i) **R&D Professionals**, including Scientists, Engineers, Doctors and other Research Professionals, are defined as persons who possess academic qualifications of at least Master's degree in Natural/Agricultural/ Social Sciences, or Bachelor's degree in Engineering/Technology/Medicine, and who while working in those capacities create new scientific knowledge and innovative engineering, technology or medical techniques, including persons with scientific and technological training engaged in professional research and development work throughout their working lives.
- ii) **An R&D Post** is defined as one, the incumbent of which is a scientist, engineer, medical or other R&D professional in a scientific institution/organisation engaged in generation and advancement of scientific and technical knowledge.
- iii) **R&D Activity** will be defined as activity directly related to Research and Development in the following three areas :-
 1. **Basic Research**:- Original investigation to gain new scientific or technical knowledge directed towards a specific practical aim or application.
 2. **Applied research** :- Original investigation to gain new scientific or technical knowledge directed towards a specific practical aim or objective.
 3. **Experimental development** :- Use of scientific knowledge to produce new or substantially improved materials, devices, products, processes system or services.
- iv) **Excluded activities**:- All those activities, which are closely linked to R&D in terms of operations, institutions and personnel, and those where only the fruits of such research are utilised, including administrative, advisory and programme implementation activities and such activities in posts in Secretariats of Ministries/Departments, will be outside the purview of such definition. The following will be specifically excluded :-
 - a) Scientific and Technical information, data collection, testing and standardisation, feasibility studies, for engineering products, specialised medical care, patient and licence work;
 - b) Geological, Geophysical, meteorological and nature resources survey, including mapping;
 - c) Scientific activities of museums in terms of display of exhibit and fabrication of prototypes,

- d) Zoological and Botanical gardens (floristic and faunistic surveys);
 - e) Application of S&T for rural extension, marketing and storage, inventory control and productivity enhancement, project implementation and scheduling, fabrication and construction of plant and equipment, design engineering services and technical consultancy ; and
 - f) Post-graduate education in Science/Agriculture at Universities and equivalent levels in engineering and technology
- v) **R&D Organisation :-** will be defined as institutions characterised by pursuit of excellence, engaged in research and development, covering a broad spectrum of pure and applied research with the essential feature of innovative character, and creative spirit of enquiry that permeates their overall functioning, and highly qualified and skilled technical personnel.



RESIDENCY PERIOD

(In years)

SCALES	DRDO	DOS	DST	DOE	DNEC	NTH	DAE
2200-4000	3	1	5	4	5	5	1
3000-4500	4	4	5	4	5	5	4
3700-5000	4	4	5	4	5	5	4
4500-5700	4	4	5	4	5	-	4
5100-6300	5	5	5	5	5	-	5
5900-6700	-	5	5	-	-	-	5
5900-7300	-	5	-	-	-	-	5
7300-7600	-	-	-	-	-	-	-
TOTAL	20	28	20	21	25	15	28

Note Though the information has not been received from DAE, the scheme is identical to that of DOS, as mentioned by representatives during oral discussions.

Medical and Paramedical Services

Medical Services

General Introduction

52.1 Health and Medical Services in Government exist both in organised as well as unorganised form with about 8477 posts. There are three organised services - Central Health Service, Indian Railway Medical Service and the Indian Ordnance Factories Health Service - besides the services exclusive to the Armed Forces in the Army Medical Corps, and the Medical Officers of the Central Police Organisations. There are some medical posts outside the organised services in certain offices and departments of the Central Government. Holders of medical posts are required to obtain at least a degree in modern medicine as prescribed by the Medical Council of India and be registered by it or the Medical Council of a State.

Central Health Service

52.2 The Central Health Service consists of 5233 medical officers. It is organised into four sub-cadres from entry level to the Senior Administrative Grade. Thereafter, it merges into a common hierarchy for promotion to the higher administrative positions upto the Director General of Health Services, as follows:-

- a) 3621 General Duty Medical Officers - with entry at the level of Rs.2200-4000, recruited through the combined medical services examination of the UPSC; and
- b) Specialists - entering service in the scale of Rs.3000-5000 by direct recruitment through the UPSC in three sub-cadres - 697 Non-teaching (Hospital) Specialists, 538 Teaching Specialists and 71 Public Health Specialists.

Besides the above, there are 293 SAG (Rs.5900-6700) posts and 12 HAG (Rs 7300-7600) posts and a post of DGHS (Rs.8000 fixed), which are enclaved in the service. Central Health Service Medical Officers man the CGHS

dispensaries, Central Government Medical Colleges and Hospitals, Delhi Administration hospitals and dispensaries, Ministry of Labour, P&T Dispensaries, Union Territories, Assam Rifles, and Public Health Institutions

Indian Railway Medical Service 52.3 Unlike the Central Health Service, the Railway Medical Service, consisting of 2569 Medical and Dental Doctors, has no sub cadres. The specialist positions are manned by suitably qualified doctors from among the medical personnel in the Railway Hospitals, dispensaries, and clinics. It has a common cadre throughout its medical hierarchy, headed by a Director General (Rs.7300-7600). These medical officers are also recruited through the combined medical services examination of the UPSC. The cadre structure follows a pattern similar to that of the General Duty Medical officers of the CHS.

Indian Ordnance Factories Health Service 52.4 The Indian Ordnance Factories Health Service comprises 275 posts - 46 in the specialist sub-stream, 225 in the General Duty sub-stream and 4 at Headquarters, common to both streams. The medical officers of this service man the medical posts in the Ordnance Factory Hospitals, dispensaries and clinics.

Medical Posts outside organised services 52.5 There are no teaching and Public Health Specialists' posts outside the Central Health Service. Besides the organised services, there are some posts in the Dental stream and the Indian Systems of Medicine and Homeopathy. Medical personnel are also manning department-specific positions for exclusively catering to the employees of the Department/Office at the field locations, like the Departments of Space and Atomic Energy, Central Police Organisations, etc. with over 250 posts.

General Demands in Memoranda 52.6 Demands received by us from different Associations of Doctors of these services in common relate to the upgradation of the entry levels and career progression up to SAG and beyond, at par with the best of Group A services. Medical personnel also seek rationalisation and enhancement of non-practising and other allowances, increase in the retirement age and terminal benefits, protection from risk of infection, enhancement of study leave to 3 years in view of longer duration of courses and provision for leave and other reserves, service perks like housing, residential telephone, secretarial assistance, along with other issues regarding the creation of an All India Health and Medical Service, discontinuance of multiple levels of entry and transfer of cadre control from the Ministry to the DGHS. Super specialists have demanded creation of a separate sub-cadre with a higher entry level.

Service-Specific Demands 52.7 The Associations of various medical officers in different cadres and sub-cadres, have also made demands relating to their respective services. While the demands of General Duty Medical Officers are concerned about career-progression upto and beyond JAG(NFSG), abolition of the system of sub-cadres and creation of a cadre of hospital administrators exclusive to them, Specialists have asked for a higher entry level on account of much later induction into service. The Railways' Medical Officers have demanded a pattern similar to that of the Central Health Service with Specialists' sub-cadres et al. They have also demanded that their Director General be upgraded to the rank of Secretary in the pay of Rs 8000(fixed). Officers of the Indian Ordnance Factories Health Service have asked for upgradation of Principal Medical Officers to the SAG level and

restructuring their cadres for a better career. Dental Surgeons have also asked for "Specialist" posts in their cadre, with integration into the Central Health Service. Physicians of the Indian Systems of Medicine and Homeopathy have sought parity with CHS doctors by extending recommendations of the Tikko Committee to them.

*Consultancy
Study on
Restructuring*

52.8 The Fifth CPC engaged a consultancy study through the Indian Institute of Public Administration, to suggest measures for restructuring the medical services, keeping in mind the demands and aspirations of the medical personnel in the Government, as also the emerging role of the Government in the health sector, in the changing socio-economic situation in the country. Suggestions made by the study have been kept in view by us while making our recommendations.

*Recommendations
made in the past*

52.9 A number of Committees in the past have gone into the manner of organising and re-organising the Medical Services. Constitution of an All India Health & Medical Service has engaged the attention of the Government in the past considering the need to have a proper health delivery system for achieving the goal of "Health for all by the year 2000 AD". Beginning with the Bhoré Committee in 1946, the Mudaliar Committee (1961), Jungalwalla Committee (1967), different Parliamentary Committees, Sarkaria Commission on Centre-State relations, and the Tikko Committee (1991), have all brought into focus the need for structuring the medical services in line with the Health Policy objective. These recommendations stipulate that there should be no wastage of talent through utilisation of qualified personnel on routine duties. Compartmentalisation and excessive specialisation should be avoided, and interchange and rotation of the officers among clinical, public health, teaching and research branches, be permitted by integrating curative and preventive measures. Internal recruitment of General Duty Officers with specialist qualifications to the posts of Specialists be taken up as a one time measure. Constitution of an All India Health & Medical Service on priority, has also been suggested envisaging lateral entry, deputation and short-term contract. These options have been kept in mind by us in making our recommendations.

OUR RECOMMENDATIONS

*All India Health
and Medical
Service*

52.10 The Government have indicated that the issue of creation of the All India Health and Medical Service was taken up with the State Governments in pursuance of the recommendations of the Sarkaria Commission. However, the proposal was accepted only by 4 states, while 5 others laid down certain conditions and another 5 did not accept it. As a result, the proposal has not made much headway. The Consultancy study has pointed out that the future will require the medical services to play an important role even at the grassroots level. A single unified service with provision for lateral entry at higher and specialised positions and appropriate incentives for the latter has been suggested by the consultants. After considering the matter in detail, We recommend that creation of All India Health and Medical service should be the long term ultimate aim for which the following steps should be taken up immediately:-

- a) The Central Health Service may be integrated in the first instance so that the 4 sub-cadres are unified into a single cadre with a common seniority. The selection of the medicos should

be need-based to avoid over-crowding in any field of specialisation.

- b) A high-powered Committee should be appointed to start a dialogue between the States and the Centre. It should work out the modalities within a fixed time-frame of 5 years for an All India Health and Medical Service.
- c) Directors-General of Health Services and Indian Railway Medical Service, and the Director, Indian Ordnance Factories Health Service should work out arrangements for inter-service exchange of personnel, while retaining maximum possible control over the cadre within the respective organisations.
- d) Posts outside the organised services excluding the Armed Forces Medical personnel should be immediately integrated into the Central Health Service. The medical doctors of the Central Police Forces may also be included in the service, and when posted to the CPOs they should be subject to the acts and rules of the concerned organisation on the analogy of the Army Postal Service so that there are no problems of actual working.

*Unified Central
Health Service*

52.11 We have observed in the preceding paragraph that the first step in the direction of constituting the all-India service is unification of the existing organised Central Health and Medical Services, including medical posts outside the organised services, into a single service. Discussions in this regard were held with the heads of the three organised Health services as well as Secretaries of Department of Health and other Departments having posts outside the organised services. It emerged that the lack of uniformity in the conditions of service and the existence of sub-cadres, besides specific need-based requirements of the different organisations are the main obstacle in taking up this course of action. Also, teaching and public health as separate specialist sub-cadres, are peculiar to only the Central Health Service. The Ministry has issued a notification in October, 1996, providing for direct entry of Super-specialists at the level of Rs.3700-5000, with the requisite qualifications and 5 years' experience in the relevant super-speciality. The Railways have indicated acute shortage of doctors and have indicated a need to fall in line with the pattern of the Central Health Service, with a cadre of clinical specialists, having direct entry at the level of Rs.3000-5000. They have also pointed out that while there is need for specialists to use the specialised techniques and equipment for treatment, a need based specialist cadre has to be constituted with duly identified positions being filled by in-service qualified doctors in the first instance, the remaining being filled through the UPSC. The departments have expressed the need to maintain adequate control over their respective cadres in order to meet functional requirements. Uniformity of service conditions, common induction training, a pool for research and cross-organisational experience and expertise, and the need to augment primary and preventive health care as the larger overall objective will have to take precedence over the present structure. Keeping in mind the twin objectives of a single medical service and the functional requirement of specialist and super-specialist positions, we are of the opinion that identified posts of specialists can co-exist with generalists in a single service with lateral entry provisions and a common seniority based on the highest direct entry level. We are also convinced that the break-up of the specialist streams

into the super-specialities and specialties will not be conducive to effective cadre management because of the small number of identified positions in an individual speciality or super-speciality. We, accordingly, make recommendations as in the succeeding paragraphs for a unified Central Health Service.

Entry level scales 52.12 The entry level of general duty medical officers should be retained at the present level of Rs.2200-4000. Specialists should be recruited 50% by promotion from among in-service doctors having the requisite qualifications, against pre-identified positions, and the remaining 50% by direct recruitment through the UPSC. They may be placed in the scale of pay of Rs.3000-4500 at entry. Super-specialists have already been permitted direct entry at the level of Rs.3700-5000. We do not recommend any change therein, except that 50% of the posts identified for super-specialists should be filled by promotion of doctors possessing the requisite qualification, and 50% by direct recruitment failing which by short term contract on terms and conditions to be negotiated with the proposed super-specialist candidate. The eligibility requirement of 5 years' experience, which they gain during residency, need not be insisted upon.

Sub-Cadres 52.13 We do not recommend separate sub-cadres of specialists or super-specialists as each speciality and super-speciality involves a different field of activity, few positions, and the need to keep posts "floating" between the different activities to keep the sub-cadres going. The sub-cadres should be abolished. Posts requiring specialists and super-specialists should be identified by all organisations and filled by the methods proposed above at entry. Promotions beyond the NFSG will be based on vacancies to be filled from among service doctors having the requisite eligibility qualifications.

Common Seniority Lists 52.14 A common seniority list should be worked out inter-se between the different streams at the level of Rs.3000-4500, in the first instance, based on the principles listed in Annexe 52.1. At the level of Rs.3700-5000, which will be the highest entry level for any medical doctor, a final inter-se common seniority between the first common list and super-specialists should be worked out on the same principles indicated in the said Annexe. The second list will form the basis for career progression to higher positions.

Career Progression 52.15 The career progression of doctors upto SAG is different between the General Duty Officers' and the Specialists' as follows:-

Scale of Pay	GDOs	Specialists
Rs.5900-6700		3 yrs in NFSG or 17 yrs in Group A. **
Rs.4500-5700	5 yrs or 14 yrs*	8 yrs after entry
Rs.3700-5000	6 years after STS	2 yrs after entry

Scale of Pay	GDOs	Specialists
Rs.3000-5000	-	Entry
Rs.3000-4500	4 years after entry	-
Rs.2200-4000	Entry	-

* - 15% of Senior Duty Posts. ** - Floating posts

Doctors have complained of inadequacy of career prospects on account of late entry into service, comparing themselves unfavourably with their counterparts in other Group A services. The structural ratio for the mainstream Group A services, it is said, is around 70%, whereas for most medical personnel, it is only around 10%. Since the entry level is filled entirely by direct recruitment the problem is further compounded by "non-wastage". The Ministry of Health has warned that there is a rising trend of exodus in the various sub-cadres, even after 4 to 10 years of Government service. The percentage of doctors joining after selection is also falling at an alarming rate. The Ministry of Railways has pointed out that at any given point of time there are at least 300 posts of doctors lying vacant. The Ordnance Factories Board has also highlighted the problem of stagnation among the service doctors. The consultancy study has highlighted this problem suggesting some form of in-situ arrangements for all categories of doctors upto SAG. The recommendations of the Tikku Committee have already been implemented to the extent possible in all the cadres and sub-cadres. Our recommendations on the Assured Career Progression will relieve stagnation to some extent, as all doctors other than GDMOs already reach NFSG on time bound basis. We are aware that any promotions beyond the Non-functional Selection Grade have to be based on vacancies arising out of functional justification. We recommend the following dynamic assured career progression mechanisms for the different streams of doctors based on the proposed entry levels above in replacement of the existing system:-

Scale of Pay	Residency Period		
	GDOs	Specialists	Superspecialists
Rs.2200-4000	4	-	-
Rs.3000-4500	5	2	-
Rs.3700-5000	4	4	4
Rs.4500-5700	-	-	-

For promotions beyond the Selection Grade the general recommendations on the model cadre structure may be followed. It may be noted that the ACP in the case of doctors will not only involve financial upgradations but also promotions, as it is a dynamic ACP.

Non-Practising Allowance

52.16 Non-practising allowance is presently granted under a slab system with amounts ranging from Rs.600 per month at the lowest level to Rs.1000 at the highest. It has been represented to us that prior to the Third CPC, NPA was granted as a percentage of basic pay, ranging from 25 to 40% at different levels, working out to an average of about 27%, which has, under the present

arrangements dropped to as low as 12.5 to 16%. Doctors are also aggrieved that it does not count towards Housing accommodation, though it is countable for all other purposes, including pension. There are also related demands for extension of NPA to other categories of professionals and Government servants who have opportunities to earn in the open market, as also the demand for discontinuance of NPA by permitting private practice. The Third CPC observed that NPA was granted to doctors in lieu of private practice on account of a traditionally enjoyed privilege as well as lesser effective service and promotion prospects caused by late entry into service. It did not favour private practice by doctors, and favoured NPA as a separate element from pay-scales. It suggested a switchover to a slab system instead of the existing rates with monetary limits. The Fourth CPC enhanced the rates under the different slabs, besides granting it uniformly to all medical officers. The administrative Ministry has suggested that NPA should continue and also be counted for purposes of housing accommodation eligibility. In the matter of permitting limited private practice we have been advised by expert opinion that it could be permitted in a limited form provided malpractices could be curbed. We also note that it is only doctors who are required to devote a lifetime to health care and life sustenance under oath as a part of their qualifications. We do not recommend extension of NPA to any other category. We recommend that the slab system of granting NPA to doctors may be dispensed with and NPA be granted at a uniform rate of 25% of basic pay subject to the condition that pay plus NPA does not exceed Rs.29,500, i.e. less than the maximum proposed for the Cabinet Secretary. It will continue to count towards all service and pensionary benefits as at present. No other change is called for, as it would disturb relationships with other services. We are also not in favour of permitting private practice in any form at this stage.

Conveyance Allowance

52.17 Doctors are presently in receipt of conveyance allowance for visits to Hospitals and dispensaries at call and outside normal duty hours and for domiciliary visits at the rates of Rs.575, 180 and 150 per month for car, scooter and other modes, respectively. We recommend that the above rates may be revised in kind as follows:-

For Car	75 litres per month
For Scooter	40 litres per month
For other modes	Rs.450 per month

Training, Study Leave and other facilities

52.18 Health and medicine have been making rapid strides in methods, sciences and technologies. Doctors need upgrading of their skills and knowledge regularly. They have complained that there is no leave reserve to enable them to be relieved for study leave, deputation reserve to enable them to gain experience in other organisations, or even a training reserve for some regular training courses for doctors. All organised services normally have provision for reserve at 10% of the duty posts in the JTS and STS. None of the organised medical services have any. Doctors have also demanded permission to attend national and international conferences and an enhanced research pursuit allowance, besides permission to purchase Newspapers, Magazines and Journals related to their field of activity. We recommend that a 10% reserve of officers for medical posts in the proposed combined/organised service, to facilitate leave, study leave, training, etc. should be provided. A centre of training on the pattern of the Lal Bahadur Shastri National Academy of Administration may be established for imparting induction and refresher training, both administrative as well

as medical to doctors. Since the duration of the Post-graduate courses has been increased to three years, it is recommended that study leave should be enhanced to three years for all doctors. Government should also consider reservation of some seats for GDOs in PG courses. Doctors should be allowed by rotation to attend National and International Conferences once in 2 and 4 years, respectively, provided research papers authorised by the DGHS have been accepted for presentation in the conference. The research pursuit allowance is presently granted at the rate of Rs 250 per month to Specialists and Rs 100 per month to the GDOs. We recommend that these rates should be enhanced to Rs.500 and 300 per month, respectively. Reimbursement of cost of Newspapers and magazines should be permitted in terms of the extant orders of the Ministry of Finance for all other Group A officers. We also recommend that residential telephone connections may be provided to all doctors, as their services may be required urgently at any time.

Retirement

52.19 It has been argued that due to late entry in service doctors in general and specialists in particular, are unable to complete service requirements for drawing full pension. They desire that the provisions for superannuation as well as voluntary retirement in their case should be appropriately relaxed, and the age of superannuation be increased to 65 years for specialists and 60 years for GDOs. In view of our recommendation on a common Central Health Service, we do not consider it advisable to propose separate ages of retirement. However, in view of the late entry of doctors in service, We recommend an additional weightage at the time of superannuation, of two years for PG diploma holders, three years for PG degree holders and five years for double degree holders, only if they enter service with such qualifications. Age of superannuation and VRS will apply as for all other Central Government employees.

Hospital Administration

52.20 The present system of appointing Medical Superintendents is by selection of doctors of long standing experience who look after hospital administration apart from attending to their technical duties. The Medical Council of India has recognised Hospital administration as a distinct post-graduate speciality. During oral discussions with us, Secretary (Health) agreed that this is a very important and specialised functional area of health care and will prove to be of critical importance in hospital services in the years ahead. Hospital administration courses have started in the country. We recommend that some posts may be identified in hospitals and earmarked as a starting point to be filled by post-graduate specialists in this field.

Resident Doctors

52.21 There are also some Junior and Senior resident doctors who are appointed for limited periods in the scales of Rs.2630(fixed), Rs.2630-75-2780 and Rs.3150-100-3350. They may be granted replacement scales of pay.

DENTAL SURGEONS

General Introduction

52.22 Dental surgeons comprise all the Group A personnel providing dental health care through the Central Government organisations. There are in all about 76 Dental Surgeons in the Ministry of Health & Family Welfare, the Railways, and Department of Coal, Recruited with minimum qualifications of Bachelor of Dental Surgery (BDS), they are spread across the scales of pay ranging

from Rs.2200-4000 to Rs.5900-6700. There is no organised service of Dental Surgeons.

Demands

52.23 Dental Surgeons have demanded an organised service for themselves either by inclusion in the Central Health Service or constituting a separate Group A service with a specialist stream on the lines of the CHS. They have also desired an apex Directorate of Oral/Dental Health for policy making and implementation in the field of Dental Health. They feel that the existing provisions for their career progression are not adequate as there is no post for them beyond SAG. They have asked for promotion avenues beyond JAG on the lines of the CHS. Besides, they have asked for counting of past service rendered in Group B while fixing their seniority in Group A.

Earlier CPC's

52.24 Upto the time of the Third CPC, there were 38 Dental Surgeons in the Central Government. That CPC did not favour parity of the Dental Surgeons with the Central Health Service, on account of a shorter duration of the academic course of the former. The Fourth CPC reported a total of 65 posts of dental surgeons in the Government of India, all of them outside organised services. With the requirement of internship being made compulsory in the dental surgeons' course, the Fourth CPC recommended inclusion of the Dental Surgeons in the Central Health Service/Railway Medical Service with pay scales as applicable to General Duty Medical Officers, and recruitment through a competitive examination.

Central Dental Service

52.25 We note that the Dental Surgeons constitute a different and independent field of activity with distinct qualifications and duties. The administrative Ministry is not in favour of merger with the CHS and has a proposal under consideration to constitute a separate Group A Central Dental Service. We recommend that a separate Central Dental Service should be created comprising all the Dental surgeons in the Ministry of Health & Family Welfare, Indian Railways, Ordnance Factories organisation, Ministry of Labour, Department of Coal and other Civilian posts. The Central Dental Service should be on the lines of the Central Health Service, as for the General Duty Medical Officers with one post in the HAG (Rs.7300-7600) under the DGHS. The following standard designations should accordingly be followed in the service:-

S.NO	PAY-SCALE	DESIGNATIONS
1.	Rs.7300-7600	Additional DGHS(Dental)
2.	Rs.5900-6700	Consultant(Dental)
3.	Rs.4500-5700	Chief Dental Surgeon(SG)
4.	Rs.3700-5000	Chief Dental Surgeon
5.	Rs.300-4500	Senior Dental Surgeon
6.	Rs.2200-4000	Dental Surgeon

Specialist Sub-Cadre and Directorate

52.26 A separate specialist sub-cadre has also been demanded by the Dental Surgeons on the lines of the specialist sub-cadres in the Central Health Service, with provisions for lateral movement between teaching and clinical functions. The administrative Ministry has advised that the number of specialities is very small, and the matter can be considered while framing the proposed Central Dental Service Rules. In view of the Ministry's advice, we do not recommend the formation of a specialist sub-cadre for Dental Surgeons. As we have recommended a post of Additional DGHS for the Dental Service, we do not feel a separate Directorate of Dental/Oral Health is required with a small size of service.

Counting of past Group 'B' Service

52.27 Dental Surgeons have pointed out that the Fourth CPC recommended upgradation of BDS personnel to Group A from 1.1.86, but did not lay down criteria for counting length of service in Group B before placement in Group A. As such, they have not been given the benefit of past service in their placement at Group A level. The administrative Ministry has suggested giving weightage of Group B service to the extent possible while framing the proposed Central Dental Service Rules. We observe that internship was not a mandatory requirement prior to 1984 for the BDS qualification. The Fourth CPC's placement in Group A from 1.1.86 need not therefore be disturbed at this stage, particularly since it involves giving benefit with retrospective effect.

PHYSICIANS OF INDIAN SYSTEMS OF MEDICINE & HOMOEOPATHY (ISM&H)

Introduction & Historical Background

52.28 The National Health Policy of 1983 envisages the necessity to initiate organised measures to enable each of the systems of Indian Medicine i.e. Ayurveda, Sidha, Unani, as well as Homoeopathy to develop in accordance with their genius. The policy requires planned efforts to find an appropriate role and place for these different systems in the overall health care delivery systems in order to achieve the goal of health for all by 2000 AD. On the demand of CGHS beneficiaries to provide ISM&H dispensaries, the Ministry of Health & Family Welfare decided to provide a berth to these systems gradually in the scheme. This led to opening of the first CGHS Ayurvedic Dispensary in Delhi in 1963. Following this, the dispensaries representing the Homoeopathy and Unani system were also established in 1967 and 1978, respectively. In 1980-81, the Sidha system was included in the scheme. In pursuance of this policy, Government also set up a Department of Indian Systems of Medicine & Homoeopathy under Ministry of Health & Family Welfare, in March, 1995. Simultaneously, planned efforts are being made to dovetail the functioning of the practitioners of these various systems and integrate their services, in the overall health care delivery system.

Establishment

52.29 At present ISM&H has a sanctioned strength of about 182 physicians in Group A spread across pay-scales from Rs. 2200-4000 to Rs. 5900-6700 as follows:-

Pay-Scale	No. of Posts				
	Homoeo	Ayurveda	Unani	Sidha	Total
Rs. 5900-6700	1	2	-	-	3
Rs. 4500-5700	-	-	-	-	-
Rs. 3700-5000	3	8	2	-	13

Pay-Scale	No. of Posts				Total
	Homoeo	Ayurveda	Unani	Sidha	
Rs.3000-4500	34	31	8	2	75
Rs 2200-4000	38	41	10	2	91
Total	76	82	20	4	182

Recruitment qualifications at entry are comparable with the Allopathy stream i.e Bachelor of Ayurveda Medicine & Surgery/ Bachelor of Homoeopathy Medicine & Surgery/ Bachelor of Unani Medicine & Surgery (BAMS/BHMS/BUMS), which require the same length of education and internship, with similar PG courses and degrees, as the MBBS. Besides these there are also posts having these qualifications, in the Ministry of Labour, (Shram Kalyan Kendras), Deptt. of Coal etc., and others in Group B & C, also.

Demands in Memoranda

52.30 Physicians of the Indian Systems of Medicine & Homoeopathy have demanded constitution of an organised service and parity with allopathic doctors in terms of career progression. It has also been sought that all posts having doctoral qualifications of BAMS/BUMS/BHMS should be upgraded to Group A, on the lines of such upgradations for MBBS doctors recommended by the Fourth CPC. Some memoranda also speak of discrimination in the grant of NPA, PG allowance and Research Pursuit allowance to them as compared to allopathic doctors, with the request to recommend parity.

Consultancy Study

52.31 The consultancy study on "Restructuring of Central Government Medical Services" has pointed out an urgent need to reorganise the service and system as a whole, by strengthening the aspects of Teaching and Research for standardisation, transparency, specialisation and effectiveness, particularly for family planning and preventive medicine. The Consultants have also underlined the need for augmenting the referral system, and the status of physicians of ISM&H vis-a-vis their allopathic counterparts.

OUR RECOMMENDATIONS

Central Indigenous & Homoeo Medical Service

52.32 The Tikku Committee recommended a separate organised service for ISM&H. The Consultancy Study has suggested integration of ISM&H doctors in the CHS with equal opportunity for high level posts. The Administrative Ministry has underlined the need for building organised career management at par with GDOs of the CHS. To carry through the objectives of a separate Department of ISM&H, we recommend that an organised service, called the Central Indigenous & Homoeo Medical Service, may be constituted to include the 182 practitioners, and other physicians of these systems in the Ministry of Labour, Deptt. of Coal, Armed Forces Ayurveda Dispensaries and the Pharmacopoeia Labs of Indian Medicine and Homoeopathy, carrying medical qualifications.

Parity with GDMOs

52.33 ISM&H Physicians have parity at entry level with Allopathic doctors. But for career progression they have to wait for vacancies. The Fourth CPC recommended parity of Physicians of ISM&H with GDOs of CHS, by

upgrading existing posts in the scale of Rs. 650-1200 to Rs.2200-4000, provided the incumbents possess degrees. The Tikku Committee also recommended similarly. But both were silent regarding career progression. The Consultancy Study as well as administrative Ministry have recommended total parity of ISM&H Physicians with Allopathic doctors. As specialisations are yet to emerge with concrete foundation in ISM&H, we recommend a general parity with GDOs as follows:-

Level	Designation	Scale	Residency
3rd ACP	Chief Medical Officer (Selection Grade)	Rs.4500-5700	-
2nd ACP	Chief Medical Officer	Rs.3700-5000	4 yrs
1st ACP	Sr. Medical Officer	Rs.3000-4500	5 yrs.
Entry	Medical Officer	Rs.2200-4000	4 yrs.

Career progression beyond the selection grade will continue to be based on vacancies. Fourth CPC upgraded only those degree holders who were in the scale of Rs. 650-1200/- (pre-revised). The administrative Ministry has supported the demand for a general upgradation as was done by Third CPC for Allopathic Doctors and Fourth CPC for Veterinarians. As the educational requirements of the posts are the same as for MBBS doctors, we may recommend that all posts requiring medical practice in ISM&H and a degree in ISM&H as the minimum qualification be placed in the entry scale of Rs. 2200-4000 and all the posts except those in Delhi Admn. be merged in the Central Indigenous & Homoeo Medical Service.

Allowances

52.34 The Third CPC had recommended withdrawal of NPA from the ISM&H Doctors. However, the Fourth CPC granted it at rates at par with Allopathic Doctors. As the Physicians of ISM&H are equally concerned with Medical practices teaching and research, we recommend that allowances and facilities granted to GDOs of Allopathic stream should also be granted to Physicians of the ISM&H on the same terms and conditions.

Para-Medical Staff

Introduction

52.35 Personnel concerned with medical and health delivery in Central Government hospitals, teaching, training and research institutions have been broadly divided into three categories - medical, para-medical and non-medical. All persons who do not undergo a formal training in modern medicine as prescribed by

the Medical Council of India, but work with medical men in an institution, in the field or community for the care of patients or for training of students are para-medical personnel. At least 11 categories exist among such personnel as follows:-

- i) Clinical and Social Psychologists;
- ii) Dieticians;
- iii) Medical Laboratory staff and Technicians;
- iv) Nursing Staff;
- v) Operation theatre staff and Technicians;
- vi) Para-dental staff;
- vii) Pharmacists, Compounders and Dispensers;
- viii) Physiotherapists and Occupational therapists;
- ix) Public & Social Health Workers (Health Educators, Social Workers, Family Planning Workers, Health, Malaria and Sanitary Inspectors, etc.);
- x) Radiographers, X-ray Staff, Dark Room Staff; and
- xi) Other para-medical staff (Prosthetists, Orthotists, Audio-visual technicians, EEG/EKG/EMG Technicians, Limb-fitters, Bracemakers, etc.).

<i>Size of establishment</i>	52.36	There are about 16,939 para-medical staff distributed over the 11 categories mentioned above, in the various institutions, ranging from the pay-scale of Rs.950-1400 to the scale of Rs.3000-4500. The category-wise distribution is given at Annexe 52.2.
<i>Previous CPCs</i>	52.37	The Third CPC included all Nursing staff, Health Visitors, Physio and Occupational therapists, Pharmacists, X-ray staff, Dressers, Health and Sanitary Inspectors and many miscellaneous staff in the para-medical category. It, however, covered Laboratory Technicians in the category of scientific assistants. It did not consider risk allowance as justified, particularly for nurses, as it felt that they were not exposed to greater risk of infection or injury than other para-medical categories. The Fourth CPC included only Radiographers, X-ray technicians, Pharmacists, and nursing staff in their recommendations on para-medical staff. It recommended parity between Pharmacists, Radiographers and X-ray Technicians.
<i>Consultancy Study</i>	52.38	The Consultancy study assigned by us to IIPA was also requested to go into the classification, numbers and other matters concerning the para-medical categories, with a view to suggesting changes in their pay-scales and other dispensations. The study has pointed out that para-medical staff are those who are related to the medical profession in a secondary or supplementary position, with technical qualifications. It has divided the para-medical staff into two categories, on the basis of qualifications and the number of years of education. The first category consists of personnel with minimum of thirteen years of education, i.e. 10+2+degree/diploma, including nurses who have three and a half years of Nursing Diploma. The second category consists of the personnel with less than thirteen years of education, i.e. matriculation with certificate course/diploma of 1 yr. duration. The study has brought out certain disparities in pay-scales, lack of promotion avenues in the case of many of the para-medics, need for inservice training, and the need to upgrade certain categories. We have kept in mind the suggestions made by the study, while making our own recommendations.

*Demands in
Memoranda*

52.39 The demands made before us in memoranda as well as oral evidence and official discussions, mainly relate to the aspect of career progression, as many of the posts are in extremely small cadres or isolated positions, which can neither be functionally increased, nor provided promotion avenues to the medical category. The different associations themselves have demanded upgradation of pay scales based on comparability of qualifications and nature of duties, they have also asked for permission to do private practice or in lieu thereof, NPA, setting up of para-medical councils, etc. While issues relating to individual categories have been discussed separately, there are still certain issues that need to be gone into for the para-medical categories in general. Classification of certain categories outside the sphere of "para-medical", has been demanded by Nurses, Physio and Occupational Therapists and Dieticians, etc. and Medical Record Officers have asked for inclusion in the category of para-medical staff. Allowances for Risk, Patient care, Non-practice (or permitting private practice), Break-down Duty and Training, and upgrading of skills have been asked for in general along with uniformity of designations. Setting up of a high-powered committee on para-medical staff has also been demanded.

*High Powered
Committee for
Para-Medicals*

52.40 Nurses, Physio and Occupational Therapists and Dieticians have desired to be classified outside the para-medical categories, as the Medical Council of India has designated them under a separate category of Allied Health Professionals on the ground that they help medical men in health care delivery system. Medical Record Officers have claimed that they have to be conversant with medico-technical terminology, besides the duties of handling medical records, and should, therefore, be included in the para-medical category. The administrative Ministry has informed us that the usage of the terms in the Medical Council of India is being followed, though the two-tier classification, Para-medical (Technical) and Para-medical (non-technical), suggested by the Consultants based on a graded difference at entry level, is acceptable. We recommend that a high-powered committee may be constituted for the purpose, to suggest re-categorisation of all the hitherto para-medical categories working in the Central Government institutions. This committee should also examine the issue of privatisation of technical para-medical services, after experimenting with the measure in some select Institutions. The Committee should also consider the feasibility of restructuring and multiskilling of different para-medicals into composite technicians and suggest staffing ratios and norms for Hospitals and Dispensaries.

Allowances

52.41 Certain para-medical and other group C & D staff working in hospitals and dispensaries are being paid Hospital patient Care Allowance, which covers the elements of Risk Allowance and Night Duty Allowance. Other categories are in receipt of specific allowances for specific purposes, like Special Nursing Allowance to Nursing staff, covering such matters as risk, non-practice, etc.. We have separately made our recommendations on allowances for some of these specific categories in the following paragraphs. We do not recommend extension of risk allowance to any new category. We also do not recommend grant of Non-practice allowance and break-down duty allowance, in general to para medical personnel.

*General
recommendations*

52.42 As regards the demands for upgradation career progression and allowances, we have made our recommendations for specific categories in the paras that follow. For acquisition of higher qualifications and skills, a general scheme

for a lump-sum grant has been recommended elsewhere in this report, and may be applied to para-medical categories as well.

CLINICAL PSYCHOLOGIST

*Introduction and
Establishment*

52.43 The clinical psychologists help in the treatment of mental illnesses. There are at least 15 Clinical Psychologists in the Central Government, generally recruited directly in Hospitals such as RML, Safdarjung, JIPMER, Lady Harding Medical College and Kalawati Saran Children's Hospital and Training & Teaching Institutions such as All India Institute of Hygiene and Public Health, Central Institute of Psychiatry Ranchi, RAK College of Nursing etc. The minimum educational qualifications for these posts and the pay scales assigned to them are as follows:-

Hospital/ Institution	Designation & Pay scale	Method of Rectt.	Qualifications
A. RAKCON	-Director, Child Guidance Clinic, Rs.3000-4500 (1)	Direct	Master's degree in Psychology + 10 years' experience
	-Sr.Lecturer, Rs 2200-4000(1)	Direct	Master's degree in Psychology + 5 yrs. experience
	-Lecturer, Rs. 2000-3200(1)	Direct	Master's degree in Psychology + 3 yrs. experience
	-Clinical Psychologist, Rs.2000-3200(1)	Direct	-do-
B. RML	Jr. Psychologist, Rs.2200-4000(1)	Direct	MA/M.Sc(Psychology) + DM &SP
C. Kalawati Saran Childrens Hospital	Clinical Psychologist, Rs 2000-3500 (1)	Direct	-do-
D. Safdarjang	-Chief Psychologist, Rs 3000-4500 (1)	New Post	N A
	-Clinical Psychologist, Rs 2200-4000 (1)	Direct	M.A.(Psycho)+ DM &SP
	-Sr Psychologist.	Direct	M.A/M.Sc

Hospital/ Institution	Designation & Pay scale	Method of Reert.	Qualifications
	Rs. 1640-2900(1)		(Psychology)
E. CIP, Ranchi	Clinical Psychologist, Rs 2000-3200 (1)	Direct	M A/M.Sc (Psycho) + DM & SP
	Psychologist, Rs 1640-2900(1)	Direct	M. A/M.Sc (Psycho.) + 3 yrs. teaching experience
	Asstt. Psychologist, Rs 1400-2300(2)	Direct	M Sc.(Psycho.)
F. JIPMER, Pondy.	Child Psychologist, Rs 2200-4000(1)	Direct	M.A.(Psycho) + DM & SP
G. AIH&PH, Calcutta	Asstt. Professor of Psychology, Rs. 3000-5000(1)	Direct	-do-

Total No. of Posts 15

Note - Figures in brackets indicate Number of Posts.

Demands in Memoranda

52.44 On an analysis of the memoranda of Clinical Psychologists it is observed that the main demand is for uniformity of pay scales and upgradation to Group A. They have also asked for parity with doctors in respect of pay-scales and allowances.

Earlier CPC's

52.45 The Third CPC did not treat these personnel as a common para-medical category, but made recommendations for Clinical Psychologists to be in Junior Class I positions in Safdarjung, RML Hospital & JIPMER based on qualifications and size of the institutions. For posts in RACKON and CIP, Ranchi, mainly teaching Institutions, it recommended the scale of Rs. 650-960 for Clinical Psychologists with M A (Psychology) and a Diploma in Medical and social Psychology (DM&SP). For posts not requiring the diploma, it suggested the scale of Rs. 550-900. The Fourth CPC made no observations on this category.

Our recommendations

52.46 We note that there are only 15 Clinical Psychologists in the Central Government Hospitals and teaching institution. Clinical Psychologist with minimum essential qualifications of M A (Psychology) plus Diploma in Medical and Social Psychology (DM&SP) working in different Government Hospitals Institutions are placed in different pay scales, 1640-2900, 2000-3500 and 2200-4000, at entry. Thus there is a lot of disparity in the pay-scales, though there is

near similarity in educational qualifications. Experience requirements differ in some institutions and accordingly a higher pay scale is given. Some posts do not, however, require the post graduate DM&SP. We have considered the matter and recommend as follows:-

- a) Posts requiring M.A/M.Sc. (Psycho.) and DM&SP may be placed in the scale of Rs. 2200-4000 at entry and provided 3 scales under ACP.
- b) Posts requiring M.A/M.Sc.(Psychology) but not DM&SP may be placed in the scale of Rs. 1640-2900 to start with and have two ACP scales of Rs. 2000-3500 and Rs. 2200-4000.
- c) Parity with doctors is not recommended.

52.47 As regards the other demands on allowances etc. and pay-scales in general, the relevant chapters may be referred to

DIETICIANS

Introduction

52.48 Dieticians play an important role in regard to treatment, rehabilitation and prevention of clinical disorders through scientific counselling on appropriate diet. A large number of diseases, e.g. diabetes mellitus, cardiac, hepatic and renal disorders, etc. heavily depend on appropriate diet, that goes beyond drugs. In the past this service was of very routine nature and was mostly managed by hospital stewards and nurses. With the establishment of the first post-graduate diploma course under the All India Institute of Hygiene and Public Health, affiliated to the Calcutta University, India had the first group of Hospital Dieticians in 1950, fully trained and competent to handle hospital dietetics.

Size of Establishments

52.49 The posts in this category are at present distributed in Central Government Hospitals, including the Army and Railway Hospitals, over different scales of pay as follows:-

Hospital	Rs.1400-2300	Rs.1640-2900	Rs.2000-3500	Rs.2375-3500
Designations	Asstt.Dietn. Dietician	Dietician	Sr.Dietician Nutritionist	Ch Dietician
RAKCON	-	-	1	-
SJUNG	3	-	1	1
RML	-	2	-	-
JIPMER	1	1	1	-
LHMC	1	-	1	-
AIHH&PH	1	-	1	-
RAILWAYS	18	-	-	-
ARMY HOSP	14	6	-	-
UTs	7	13	3	-
TOTAL	45	22	8	1

The usual cadre structure of a Dietetics stream, after entry at the level of Assistant Dietician, is Dietician, Sr. Dietician and Chief Dietician. Entry levels vary between the scales of Rs 1400-2300 and Rs 1640-2900, depending on patient traffic and

bed-strength. Entry level qualifications are (a) B.Sc. (Home Science/Home Economics) or M.Sc. Food & Nutrition; (b) 1 year's post-graduate diploma in Dietetics and Public Health Nutrition, 3 months' internship; and (c). 1 year's experience in a recognised hospital. For entry at the level of Rs.1400-2300, the experience requirement is usually treated as desirable. All other posts, wherever available in the hospital hierarchy of Dieticians are filled by promotion.

Demands in Memoranda

52.50 Dieticians have demanded upgradation of their entry-level pay scale to at least Rs.2200-4000, creation of promotion avenues, and constitution of an organised "Central Dietetics Service" by increasing the number of posts based on workload and functional requirements. They have also asked for parity with medical doctors in terms of certain allowances and facilities e.g. Non-Practice Allowance, Conveyance allowance, Health Care Allowance, Teaching allowance for teaching Dieticians, reimbursable and priority telephone connections, allowance for purchase of Books and Journals, attending National/International conferences, at Government expense, etc.

Constitution of an organised service

52.51 The total number of posts of Dieticians under the Central Govt. is 76, which includes Railways and Army Hospitals. These posts are spread across groups 'B' & 'C' pay scales only. There is no post in Group 'A'. The administrative Ministry is not in favour of such a service/cadre, as the posts are very few in number. As the number of posts is small, we do not recommend constitution of an organised service of Dieticians.

Upgradation at entry and career progression

52.52 Dieticians have demanded upgradation on two counts. First their qualifications were recognised as superior upto Second CPC, and they accordingly enjoyed a higher status. And secondly, the Third CPC was not correctly informed of the qualifications by the administrative Ministry. While the Ministry maintained B.Sc. + 2 yrs. experience as minimum entry qualification, those actually applicable were said to be M.Sc.degree +PG Diploma +1 year's experience. At present most hospitals have only one of the grades at entry stage with no promotion posts, whereas others have single posts, usually one or two levels higher. There is enormous stagnation which the Association desires to relieve. The Third CPC recommended the scale of Rs.550-900 with 3 advance increments to Dieticians with a qualification of B.Sc. (Home Science) + 2 yrs. experience, (the qualification of 1 year's PG Diploma + 3 months' internship was not mentioned) in JIPMER, Safdarjang and Willington (now RML) Hospitals. It granted the scale of Rs.650-1200 to Sr. Dieticians with qualifications of B.Sc. degree plus diploma plus 3 years' experience both levels being filled by direct recruitment. The Fourth CPC did not make any mention of these posts. The administrative Ministry has suggested a general upgradation at all the levels. Since their minimum educational qualifications at entry are B.Sc. (Home Science) with one year's PG Diploma in Dietetics and Nutrition and 3 months' internship, we recommend that the entry scale of Assistant Dieticians should be upgraded from Rs.1400-2300 to Rs.1640-2900/-, and such posts may be redesignated as Dietician Gr.III. The next higher grades will be Dietician Grade II in the scale of Rs.2000-3500, and Dieticians Grade I in the scale of Rs.2200-4000. The posts of Dietician grade II at the level of Rs.2000-3500 should be merged to form a single cadre covering all the hospitals and teaching institutions mentioned above and made feeder to the posts of Dietician Gr.I and Chief Dietician. Chief Dieticians may be upgraded to the scale of Rs.3000-4500/-. The minimum qualification for Chief Dietician should be Masters degree in Dietetics and Nutrition, and the

post may be filled by promotion, failing which by direct recruitment. The minimum educational qualification prescribed for direct recruitment should also apply in case of promotion. The posts of Chief Dietitians should be created wherever functional justification exists.

*Functional
justification*

52.53 Dietitians have pointed out that their workload increases in direct proportion to the number of patients and beds attached by them as out-patient and in-patient, respectively. While the numbers on both counts have increased manifold with the expansion of hospital facilities, the number of Dietitians has not changed. We note that the DGHS has issued certain guidelines regarding staffing norms. On the basis of these norms, wherever the number of beds and patients justify higher and larger number of posts, these should be created based on functional requirements.

Allowances

52.54 Dietitians have claimed that their duties are comparable with medical doctors. They also have to experiment and do research and would like to have higher education allowance, allowance for purchase of books and journals, conveyance allowance, telephone priority and reimbursement, facility for attending national/international conferences and housing facilities near hospital campuses, besides a special teaching allowance for duties involving teaching and training of medical, nursing and dietetics students. The administrative Ministry has pointed out that Dietitians are not required to carry out independent diagnosis, and therapeutic support is provided on secondary referral, since their main duties are concerned with hospital dietetics and kitchen. Therefore, any comparison with medical doctors would not be valid. Going by the advice of the Ministry, we do not feel any special allowances are justified. We, therefore, recommend that only Chief Dietitians may be granted allowance for purchase of books & journals, and reimbursement for attending national/international conferences as recommended for Medical Doctors. For giving Lectures, honorarium as per rates prescribed for Central Govt. employees in general, is recommended. A separate teaching allowance for occasional teaching duties is not recommended. We also do not recommend grant of Non-practice allowance, as Dietitians neither work round the clock nor does their work involve multiple areas of health care.

NURSING STAFF

*General
Introduction*

52.55 An important role in the health delivery system is that of nurses, broadly divided into three distinct categories - Hospital Services, Nursing Education and Public Health. There are at least 10,298 personnel comprising the Central Government's nursing staff as follows:-

Nursing services	-	9770
Nursing Education	-	98
Public Health Nursing	-	430
TOTAL	-	10,298

NURSING SERVICES STREAM

Cadre Structure 52.56 The Nursing services are concerned with care of the sick and help them to recoup their health. They exist in the Central Government hospitals, dispensaries and clinics. A nurse's career in Hospital Nursing services begins as a Staff Nurse in the grade of Rs.1400-2600. Posts in this grade are filled by direct recruitment, with qualifications of 10+2, 3-year diploma in General Nursing Programme and registration as Nurse and Midwife with the Central or State Nursing Council. The general cadre structure of the nursing services in different Government Hospitals is in the following pattern:-

Chief Nursing Officer	Rs.3000-4500/5000
Nursing Superintendent	Rs.2200-4000
Deputy Nursing Suptdt.	Rs.2000-3500
Asstt. Nursing Suptdt.	Rs.2000-3200
Nursing Sister	Rs.1640-2900
Staff Nurse	Rs.1400-2600

Demands in Memoranda 52.57 The Nurses' Association have demanded upgradation of their pay-scales at all levels, grant of Non-Practice Allowance, provision of accommodation to all nurses, removing post restrictions, providing time-bound promotions, and enhancement in various allowances. Nurses in general have also demanded exclusion of their category from the category of para-medicals.

Pay scales 52.58 Upgradation has been demanded on grounds of incompatibility of pay-scales with the present qualifications and strenuous job content. Improvement of promotion prospects combined with upgradation at each level has also been sought on account of stagnation caused by a top-narrow cadre structure. The Third CPC recognised the arduousness of duties based on bed strength of hospitals and the qualifications in granting upgradation in the entry pay-scales. It also observed that the difficulty in retention of Nurses is due to marriage, prospects abroad and non-availability of promotions. The Fourth CPC also granted an upgradation in the replacement scales keeping in mind the difficult nature of duties and meagre promotion prospects. The administrative Ministry has suggested further upgradation at each level, with at least three promotions during a career. It has suggested that a grade of Chief/ Principal Nursing Officer in the scale of Rs.3700-5000 should be created in each hospital having 750-1000 beds to be overall incharge of Nursing administration and improving the quality of nursing care. We note that the two previous CPCs have already reflected the reasons cited by the Association, in granting upgradations. The prescribed minimum qualifications for recruitment of a staff nurse do not justify a higher scale of pay. However, on account of rationalisation of the scale of pay of Rs.1400-2600, we recommend that a Staff Nurse may be placed in the scale of pay of Rs.1600-2660 at entry. We also note that as per existing norms, a Matron or Nursing Supervisor in a lower pay scale is already catering to bed strength of about 500-600, with the assistance of hospital attendants, dressers and other subordinate staff for ward facilities and cleanliness. There are already some unfilled positions of Chief/Principal Nursing Officers (Rs.3000-4500/3000-5000) in some hospitals and institutions. Upgradation of the Chief Nursing Officer or creation of a new level in a scale of pay corresponding to Rs.3700-5000, is, in our view, therefore, not justified. There is, however, merit in the demand for some upgradations because of narrow or no differences in feeder and promotion scales, and also changes caused by rationalisation of certain scales recommended by us elsewhere. The following structure for the cadre of staff nurses and above is recommended:-

NOMENCLATURE	EXISTING PAY SCALE (Rs)	REDESIGNATED AS	PROPOSED PAY SCALE (Rs)	REMARKS
Staff Nurse	1400-2600	No Change	1600-2660	Rationalisation
Nursing Sister	1640-2900	No Change	1640-2900	No Change
Nursing Supervisor Asstt. Nursing Suptdt	2000-3200	Asstt. Nursing Suptdt	2000-3500	Rationalisation
Dy Nursing Suptdt	2000-3500	Dy Nursing Suptdt	2500-4000	Separating scales of feeder and promotion grades
Nursing Suptdt	2200-4000	Nursing Suptdt	2200-4000	No change
Chief Nursing Officer	3000-4500	Chief Nursing Officer	3000-4500	No change

*Nursing
Allowance and
NPA*

52.59 Nursing Allowance is granted @ Rs. 150/- p.m. to all the nursing categories at all levels in Central Govt. Hospitals and institutions in view of their multifarious duties and responsibilities. A Special Allowance of Rs. 60/- p.m. is also granted to Nurses working in Special Units like Major Operation Theatres, ICU/ CCU, Dialysis Unit/ Ward, ICU for burns, Tetanus and Rabies Wards, Paediatric and neo-natal units, subject to the condition that it shall not be granted to more than 25% of the total nursing strength. The administrative Ministry has suggested that the allowances should be enhanced as nurses are not entitled to Non-Practising allowance. NPA is not allowed to Nurses at present. Their availability on duty at odd hours is on the line of rotational shifts, unlike doctors on call. We are not convinced about the justification for grant of NPA to nurses. We, however, recommend that the nursing allowance should be enhanced to Rs.300 per month, which will cover the element of Non-practice allowance. Special allowance should also be enhanced to Rs.120 per month.

*Uniform &
Washing
Allowance*

52.60 Nurses are also paid a Uniform Allowance of Rs. 125 p.m. which has been sought to be increased, as their requirement is 6 terrycot uniforms in a year, the costs of which have increased. The administrative Ministry has also suggested its increase. We recommend that this allowance may be given annually at the rate of Rs.3000/- as a lumpsum amount. They are also paid a Washing Allowance @ Rs. 75/- p.m. w.e.f. 1.10.86. This may also be doubled to Rs.150 per month.

Risk Allowance

52.61 Nurses have claimed that they run the risk of contracting diseases due to the nature of their job and close contact with the patients. They undergo a great degree of mental and physical stress and strain, while providing care to patients/ clients, and at the same time are inevitably exposed to many dangerous diseases. The Third CPC did not favour grant of risk allowance to nurses on the ground that they were not exposed to greater risks compared to other para-medical categories. We also do not recommend a separate risk allowance for nurses as nursing allowance and special allowance will take care of this factor also.

Accommodation

52.62 Nursing staff have demanded allotment of accommodation on

priority. The Third CPC observed that nurses were provided free, furnished accommodation in the hostels attached to hospitals under the Ministry of Health. It suggested that Government should treat nursing staff who were liable for night duty as "essential" for purposes of priority allotment of accommodation. The administrative Ministry has recommended granting general pool accommodation to Nurses. It is also constructing a residential colony for Nurses working in Central Government Hospitals/ Institutions at Delhi. We suggest that the Ministry should take steps to improve hospital accommodation satisfaction for nursing personnel.

Creche Facilities 52.63 The demand for provision of Creche services at the Hospital premises is a genuine one. We recommend that as far as possible, creche services should be provided in the hospital premises.

Non-Resident Nurses 52.64 There is a category of non-resident nurses in the Central Government Hospitals viz. Safdarjang, Ram Manohar Lohia and JIPMER Hospitals. There were only 46 such posts at the time of the Fourth CPC, as against 87 at the time of the Third. At present there are 20 posts of non-resident nurses in Safdarjang Hospital, 13 in JIPMER and 22 in RML Hospital, totalling 55. Their qualifications are those of staff nurses, but they work only for 6 hours without break, in the Out-patient Department. They have demanded upgradation to the level of Staff nurses, adequate promotion opportunities and reintroduction of the selection grade granted earlier. Though the educational qualification of the non-resident nurses is similar to that of staff nurses, the administrative Ministry has advised that the cadre of non-resident nurses is a dying one and is being phased out. We do not recommend upgradation in view of the difference in the nature of duties. As regards grant of the benefit of Selection Grade the ACP scheme will take care of career progression.

NURSING EDUCATION STREAM

Care Structure 52.65 Nursing Education is conducted in the Hospital Schools of Nursing, Raj Kumari Amrit Kaur College of Nursing, and some other teaching and training institutions under the Central Government. Nursing education is also provided by the AIIMS and PGI, Chandigarh, both autonomous bodies. All the Colleges of Nursing prepare nurses for the B.Sc.(Nursing) degree (basic/post basic) and higher courses. The Hospital Schools of Nursing assist in the professional preparation of nurses. The entry level in this stream is that of a Clinical Instructor (Rs.1640-2900) with qualifications being the same as those of a Staff Nurse in the Nursing services stream, plus a year's experience of clinical nursing. The cadre structure above the entry level is the Sister Tutor, Senior Tutor, Lecturer and Senior Lecturer. This is a small segment of 98 personnel in the overall category of nursing staff, engaged in the RAK College of Nursing, Central Institute of Psychiatry, Rural Health Training Centre, National Tuberculosis Institute, Lady Reading Health School, etc..

Main Demands 52.66 The main demands of this stream are for upgradation to UGC scales, comparable to University and college teaching professionals, grant of Non-Practice, Nursing and Special Allowances as for the clinical nurses and free furnished accommodation at the campuses.

UGC Scales 52.67 The teaching nurses have complained that at the time of fixing the pay-scales for various levels of faculty in the nursing education sector, these have so far been fixed at the same level as their nursing services counterparts. Since nursing education has now come into the mainstream of college professional education, the pay-scales of faculty of Nursing Colleges should be brought on par with the UGC. The Third CPC considered the matter but did not favour grant of UGC pay scales. The Fourth CPC did not make any recommendation on this issue. We note that medical colleges in Central Government have also not granted UGC scales to teaching medical and non-medical personnel. We do not recommend grant of UGC scales of pay to the teaching nurses, and the replacement scales recommended by us in the relevant chapters will apply.

Allowances 52.68 As mentioned above, Special allowance has been granted to nurses covering critical areas of health care. Teaching nurses already have an edge over other streams. Keeping in mind their duties and responsibilities, and the fact that their clinical functions are not in critical areas, we do not recommend grant of special allowance. We have already indicated that we are not in favour of NPA for any of the para-medical categories, including teaching nurses.

General pay scales 52.69 As regards the other demands, general replacement scales and other allowances and conditions of service, we have made our recommendations in the relevant chapters.

PUBLIC HEALTH NURSES

Cadre structure 52.70 This stream constitutes a vital segment of the community health services delivery system, in implementing primary health and school health care related programmes in sub-urban, rural and remote areas. It consists of Public Health Nurses, Health Supervisors, Lady Health Visitors (LHV), Auxiliary Nurse-Midwives (ANM) and Multi-purpose Female health Workers. Comprising about 430 personnel in the Central Government, this stream has three entry levels as follows:-

Nomenclature	Pay Scale	Educational Qualifications
ANM/Female Health Worker	Rs.975-1540	Matric + ANM/HWF Course + Registration
Lady Health Visitors	Rs.1200-2040	Matric + LHV Course + Registration as ANM
Junior PH Nurse/School Health Nurse	Rs.1640-2900	Same as for Staff nurse

Further promotions are available as Health Supervisors (Rs.2000-3500), Community Health Officer/District Public Health Nursing Officer/School Health Nursing Officer (Rs.2200-4000) and District Mass Educational & Information Officer (Rs.3000-4500).

Demands 52.71 Lady Health Visitors and ANMs have demanded better pay scales and promotion opportunities at par with other specialised technical employees

working under the Central Government and to remove stagnation. Allowances like Night Duty Allowance, Patient Care Allowance, Uniform Allowance & Washing Allowance and Risk Allowance have been asked for.

Pay Scales

52.72 We note that LHV's are promotion posts for ANMs and both are filled to a large extent by direct recruitment with comparable qualifications. In view of the prescribed qualifications and nature of duties, we recommend that the entry level of ANMs should be raised from Rs.975-1540 to Rs.1200-2040. LHV's should accordingly be placed in the scale of pay of Rs.1400-2300. These upgradations will also help to reduce the gap between these posts and the next level of Public Health Nurses. Public Health Nurses, as the next higher level, are recruited from among LHV's, Medical Social Workers and directly, with the requisite qualifications. The promotion quota for LHV's, etc. in the post of Community Health Officer is 20%, the remaining 80% being filled from the cadres of Sanitary/Food/ Material Inspectors. LHV's have claimed that the incumbents from this 80% quota are not technically qualified or trained in terms of DGHS' extant orders. Therefore, they feel that promotion to this level should be set aside entirely for LHV, etc. We are not in favour of disturbing the present ratios for removing stagnation among the LHV's, as the Assured Career Progression will suffice.

Allowances

52.73 Night Duty and Patient Care in the case of Public Health Nurses, LHV's and ANMs is of occasional nature and not continuous like some of the staff nurses. We, therefore, do not recommend grant of allowances for these purposes. Uniform and washing allowance should be granted to them as has been recommended for nursing staff in general.

General pay-scales

52.74 As regards demands pertaining to replacement pay scales other allowances and service conditions, our recommendations in the relevant chapters may be referred to.

OPERATION THEATRE TECHNICAL STAFF

General Introduction

52.75 Operation Theatre Technical Staff working in the operation theatres of Central Govt. Hospitals, comprise Technical Officers/Superintendent, Supervisors, Technicians, Assistants and Attendants, spread across pay scales ranging from Rs.800-1150 to Rs.2000-3500. They also include staff in sterilisation services

Establishment

52.76 The Operation Theatres of the Central Govt. are located in the four major hospitals-Safdarjang, RML, LHMC and JIPMER-besides hospitals of the Indian Railways and Ordnance Factories. Numbering 290 in these organisations, they are distributed as follows:-

Hospital	OT Attnds.	OT Asstts.	OT Technicians	Others	Total
JIPMER	4	10	10	-	24
LHMC	2	5	15	-	22
Safdarjang	4	73	33	1	111

Hospital	OT Attdts.	OT Asstts.	OT Technicians	Others	Total
RML	30	--	20	-	50
Railways	--	67	NA	-	67
Ordnance Factories	--	15	1	-	16
TOTAL	40	170	79	1	290

*Demands in
Memoranda*

52.77 The Operation Theatre Technicians Association has represented that the pay scales of O.T. Technical Staff and Laboratory Technical Staff in hospitals used to be same after the implementation of the recommendations of the Third CPC. But the Fourth CPC recommended lower pay scales for the O.T. Technical Staff in comparison to the Laboratory Technical Staff with comparable educational qualifications and nature of duties. They have also pointed out that the Fourth CPC recommended that Group 'C' & 'D' technical employees working in different hospitals may be given promotion after 15 years of service. They have also demanded payment of an O.T. allowance and enhancement to 60 years of the age of superannuation.

Pay Parities

52.78 The Operation Theatre Technicians have the following relativity of posts with the Laboratory Technicians:-

O.T. TECHNICIAN		LABORATORY TECHNICIANS	
POST	Pay Scales (Rs.)	POST	Pay Scales (Rs.)
O.T. Tech. Officer/ Supdt.	2000-3500	Lab. Tech. Officer/ Supdt.	2000-3500
O.T. Tech. Supervisor	1640-2900	Lab. Tech. Supervisor	1640-2900
Sr. O.T. Tech.	1400-2300	Lab. Tech. Asstt.	1400-2300
O.T. Tech.	1200-2040	Lab. Tech.	1320-2040
O.T. Asstt.	950-1400	Lab. Asstt.	975-1540
O.T. Attdt.	800-1150	Lab. Attendant	800-1150

Except the first two levels above Group D, the rest of the posts have the same pay scales in both categories. The administrative Ministry have observed that, there is similarity in the training, qualification & recruitment rules among the laboratory technical staff and the O.T. Technical Staff. In view of comparable qualifications and duties, we recommend parity of O.T. Technicians and Lab. Technicians at the initial levels also. Accordingly, the following grades are proposed for O.T. staff in future.

- i) O.T. Attendant - Rs. 750-940 with 2 ACP levels of Rs. 775-1025 and Rs. 800-1150 with minimum 8th Standard qualification, at entry;
- ii) O.T. Assistant - Rs. 950-1500 with 2 ACP levels of Rs. 1200-2040 and Rs. 1400-2300 with minimum qualification of matric (with Science) plus certificate or 10+2 with Science for direct recruitment; and
- iii) O.T. Technician - Rs. 1600-2660 with 2 ACP levels of Rs. 1640-2900 and Rs. 2000-3500 with minimum B.Sc. plus Diploma/Certificate in the relevant subjects. The existing incumbents in each organisation in operation theatres as well as sterilisation services will be placed in appropriate matching pay scales.

O.T. Allowance 52.79 Payment of O.T. Allowance has been demanded on the lines of the O.T. Technical Staff in Delhi Govt. The demand is not justified as O.T. staff are recruited for O.T. duties. We do not recommend grant of O.T. Allowance.

General pay scales 52.80 As regards demands for career progression, superannuation age, etc. and replacement scales, the general recommendations in the relevant chapters will apply.

Para-Dental Staff

General Introduction

52.81 Dental Hygienists, Technician and Mechanics assist Dental Surgeons in dental care of patients and exist in various Central Govt. Hospitals and dispensaries. Dental Hygienists are entrusted with the duties of independently attending to patients and performing the work of oral prophylaxis, viz primary and diagnostic treatment plan and advice to all cases. Dental Mechanics are required to make artificial dentures and other prosthetic work in Dental Laboratories. A Dental Technicians' work is to assist the Dental Surgeon while treating patients. All the three categories enter service in the scale of pay of Rs. 1200-2040 with minimum qualifications of Matric with science and registration as Dental Hygienist with a 2-years Diploma. Dental Mechanics are required to have 2 years experience in prosthetic Laboratory work also.

Establishment

52.82 There are at least 46 employees in the para-dental categories as follows:-

Designation	Pay-Scale		Total
	1200-2040	1400-2300	
Dental Technician	31	2	33
Dental Hygienist	7	-	7
Dental Mechanics	4	-	4
Total	42	2	44

The Indian Railways do not have any para-dental posts. Dental Hygienists and Mechanics are 100% direct entry isolated posts. Only Dental Technicians have promotion posts of Sr.Dental Technicians (Rs.1400-2300).

Demands in Memoranda

52.83 The Association of para-dentals has asked for the upgradation of the entry level posts from the pay scale of Rs.1200-2040/- to Rs.2000-3500/- i.e. one step below that of Dental Surgeons, who enter in the pay scale of Rs.2200-4000/-, with adequate promotion opportunities. Demands have also been made in general on allowances and conditions of service, which have been handled elsewhere in this report.

Our recommendations

52.84 The three categories are required to be registered as Dental Hygienists alongwith matric with Science and a 2-year diploma as basic entry level qualifications. All these posts are filled entirely by direct recruitment. They may all be redesignated as Dental Technicians with the following grade structure.

Dental Technician- Gr.I Rs.1600-2660 2nd ACP

Dental Technician- Gr.II Rs.1400-2300 1st ACP

Dental Technician- Gr.III Rs.1320-2040 (entry)

Wherever the number of posts is large enough to functionally justify it, one post of Chief Dental Technician may be introduced in the scale of pay of Rs.2000-3500/-.

P H A R M A C I S T S

General Introduction

52.85 Pharmacists are concerned with supply of medicines in accordance with prescriptions or, when legally permitted, without a prescription. They also deal with procurement, selection, preservation, storage, preparation, distribution, administration and accounting of drugs and pharmaceuticals. The usual minimum essential educational qualification for direct recruitment against the post of Pharmacists in the scale of Rs. 1350-2200 is 10+2, 2-years diploma and 3 months training in Pharmacy along with registration with the Central or State Pharmacy Council. Some organisations recruit them with lower qualifications also

Pharmacists have a two or three grade structure, including the entry level, with promotions upto the scale of Rs. 1640-2900, and sometimes upto Rs.2000-3500.

<i>Distribution of Establishment</i>	52.86	The total number of Pharmacists is about 3483. They are generally employed in Central Government Hospitals, Dispensaries, Central Drug Laboratory, Medical Stores Organisation etc. Besides, Pharmacists also exist in Botanical Survey of India (BSI), Air Headquarters, Archaeological Survey of India, Directorate General of Employment & Training (M/o Labour) etc., where entry level is lower, i.e. in the scale of Rs. 1200-1800 or Rs.1200-2040.
<i>Demands in Memoranda</i>	52.87	Pharmacists associations have demanded setting up of a separate Directorate of Pharmacy for greater participation in policy-making as well as adequate career progression, upgradation of their pay scales and granting of additional allowances for non-practice, patient care, non-technical duties, risk, literature etc. to improve their functioning as well as achieving job satisfaction.
<i>Previous CPC's</i>	52.88	The Third CPC observed that Pharmacists also include compounders and dispensers. It divided the category of Pharmacists into two i.e fully qualified Pharmacists and unqualified Pharmacists and accordingly suggested different pay scales. The Fourth CPC broadly followed a similar pattern of granting replacement scales for the registered Pharmacists. For improving the promotion prospects of Pharmacists it recommended that administrative Ministry might examine the desirability of a few posts in the pay scale of Rs.1640-2900/-. No distinction was made between qualified and un-qualified Pharmacists.
<i>Directorate of Pharmacy</i>	52.89	No justification has been furnished on the need for Pharmacists to play a role in policy making relating to health when a Drugs Controller of India, and Pharmacy Council of India exist. This demand, if accepted, will lead to similar demands by other para-medicals to have their own specialised Directorates. We do not recommend setting up of such a Directorate
<i>Pay Structure</i>	52.90	Upgradation of the pay scale of Registered Pharmacist is sought from Rs. 1350-2200 to Rs. 1400-2600 at par with diploma holders of other disciplines like Engineering, Nursing etc. Pharmacy Council of India, recommended in 1976 and 1994, that the pay scale and promotion avenues of Pharmacists should be at par with other technical diploma holders in Engineering and Technology as the post of Pharmacist is also technical. We recommend that Pharmacists, in view of the prescribed entry qualifications should be placed in the scale of Rs. 1400-2300 at entry. The grade structure in existence at present should be modified as follows:-

Nomenclature	Pay scale	Qualification
Pharmacists Gr.I	Rs.1640-2900	2nd ACP
Pharmacists Gr.II	Rs.1600-2660	1st ACP

Nomenclature	Pay scale	Qualification
Pharmacists Gr.III (entry level)	Rs.1400-2300	10+2+2yrs. Diploma + 3 months training and registration

Wherever there is a post of Chief Pharmacist it should be placed in the pay scale of Rs. 2000-3500. Posts of Chief Pharmacists may also be created in the hospitals in the pay scale of Rs. 2000-3500 based on functional justification. In future no recruitment should be made in this cadre with qualification of less than Diploma. All those incumbents who possess a diploma in Pharmacy and are in lower scales at present may also be brought into the scale of Rs. 1400-2300. Incumbents not possessing Diploma in Pharmacy may continue in the replacement pay scale corresponding to their existing scales with ACP only.

Patient Care Allowance

52.91 Patient Care Allowance @10% of the basic pay per month, has been asked for against the present rate of Rs. 80/- p.m. The allowance should be doubled to Rs. 160/- p.m., retaining the conditions under which it is granted i.e. if no night duty or risk allowance is sanctioned by Government.

General pay scales

52.92 For all the remaining matters our recommendations elsewhere in this report will apply.

PHYSIOTHERAPISTS AND OCCUPATIONAL THERAPISTS

Introduction

52.93 Physiotherapists and Occupational Therapists, located in Central Government Hospitals, dispensaries and institutions cover two distinct branches of Therapy viz. Physiotherapy and Occupational Therapy. Physiotherapists (PTs) are concerned with the management of orthopaedic, neurological, medical, surgical disorders through the scientific application of heat therapy, light therapy, electro therapy, hydro therapy, exercises and massage. Occupational Therapists (OTs), on the other hand, deal with such disorders through purposeful goal-oriented activities to achieve optimum functioning, prevent disability and maintain health.

Distribution of Establishment

52.94 There are 176 posts of Physiotherapists and Occupational therapists in the Central Government Hospitals and Institutions as shown below:-

Institution	PTs	OTs	Total
Indian Railways	50	-	50
Safdarjung Hospital	49	13	62
LHMC & KSC Hospital	6	4	10
CIP	-	4	4
AIIPM&R	13	7	20
RML Hospital	3	2	5

Institution	PTs	OTs	Total
Ordnance Factories	1	-	1
C/RLTRI	7	-	7
JIPMER	9	8	17
Total	138	38	176

Usually both the categories enter at the level of Rs. 1400-2300, with minimum qualifications of 10+2 and a three-year degree or diploma and 6 months internship, with or without PG training. At higher levels the posts of Lecturer PT/OT are in the scale of Rs. 2000-3200, and posts of Sr. Lecturer or Senior Physiotherapist/ Occupational Therapist are in the scale of Rs. 2375-3500. Certain organisations follow a different pattern also. Indian Railways have only two grades of Physiotherapists, i.e. Grade I at the level of Rs. 1400-2300, and Grade II at the level of Rs. 2000-3200. In contrast, the Jawaharlal Institute of Post-graduate Medical Education and Research and the Central and Regional Leprosy Training and Research Institutes, under the Ministry of Health, recruit Assistant Physiotherapists and Physiotherapy Technicians in the scale of Rs. 1200-2040 with qualifications of matric+Physiotherapy Certificate course, who also have promotion avenues to the posts of Physiotherapists/ Occupational therapists.

Demands in Memoranda

52.95 Physiotherapists and Occupational Therapists have demanded a higher entry level based on the contention that their qualifications and duties are comparable with those of doctors. Their demands also include parity with medical and dental doctors with regard to entry levels, career, allowances and other service conditions. In support of their demands they have cited a CAT, Principal Bench, judgement in petition No. 2323/89 dated 8.6.94, under which the rejection of a recommendation to raise their scales of pay from the existing level Rs. 1400-2300 to Rs. 2000-3500, had been quashed. Besides, they have also asked for being reclassified by exclusion from the category of "Para-medicals" and unification of the cadre of PTs/OTs.

Parity with Medical Doctors.

52.96 The educational qualification and the nature of duties of Physiotherapist and Occupational Therapist are not comparable to those of MBBS doctors and BDS (Dental Surgeons). The administrative Ministry had formed a Committee in the DGHS with representatives from the Association of Physiotherapists/ Occupational Therapists to consider the matter. The Committee observed that there was no evidence to show that PTs/OTs could, like medical practitioners, have first contact with patients, and diagnose, investigate, prescribe, treat and follow up patients with various diseases. The Committee also noted that PTs/OTs were required to take the advice of medical men in regard to starting of Physiotherapy or Occupational Therapy and continuing such treatment. Our Consultants as well as Secretary (Health) and DGHS, during discussions with us, have strongly urged that this category needs to be upgraded. Keeping in mind the educational qualifications and nature of duties of PTs/OTs and other relevant factors we do not recommend parity with medical practitioners. However, we also feel that the present scale of Rs. 1400-2300 is low vis-a-vis minimum qualifications and the nature of duties. We, therefore, recommend that PTs/OTs may be placed at the level of Rs. 1640-2900 at induction. Since we are not in favour of parity with doctors, career progression of PTs/OTs will

follow the usual ACP pattern. Lecturers in PT/OT should, accordingly, be placed in the scale of pay of Rs. 2000-3500, and Senior Physiotherapists/Senior Occupational Therapists in the scale of pay of Rs. 2200-4600. To improve promotion prospects a post each of Chief Physiotherapist and Chief Occupational Therapist in the scale of Rs. 3000-4500 may be created in hospitals and institutions wherever functionally justified.

Allowances to PTs/OTs

52.97 We have looked into the demand for payment of allowances at par with doctor. We have already indicated our views on the issue of parity. Grant of NPA to Doctors is not based on the possibility of private practice, but on account of the requirement of call duty round the clock without resort to private practice/compensation. For PTs/OTs there is no requirement of such call duty round the clock. NPA to PTs/OTs is, therefore, not recommended. Other allowances are also not recommended as parity with doctors is not being conceded.

Unification of PTs/OTs

52.98 The claim for unification of the cadres of PTs and OTs is based on the argument that their qualifications and duties are comparable and the end-result of their respective effort is the same. The administrative Ministry has, however, advised that the qualifications and fields of activity of PTs and OTs are different and not interchangeable. We also observe that all the health and educational institutions employing these personnel have kept the streams separate at all levels. We, therefore, do not recommend merger.

General demands and pay scales

52.99 As regards the other demands and replacement pay-scales our recommendations in the relevant chapters may be referred to.

PUBLIC AND SOCIAL HEALTH WORKERS

Background

52.100 Public and Social Health Workers are para-medical workers whose sphere of duty mainly covers implementation of various sanitation health education and training programmes of Government including Family Welfare, Child Health and Immunisation programmes, Surveys and also education of the public on various aspects of health in the field. They have different designations in different institutions such as Medical Social Workers, Psychiatric Social Workers, Field Investigators, Health Inspectors, Sanitary Inspectors, Family Welfare Extension Educators, etc.

Distribution of Establishment

52.101 The Public and Social Health Workers with a strength of about 1320 are mostly found in Central Govt. hospitals, Railway hospitals and various Public Health Programmes and Institutions, such as Port and Air Port Health Organisation, Leprosy Training & Research Institutes, Central Health Education Bureau, Family Welfare Training & Research Centre, Central Institute of Psychiatry, Ranchi, etc. They are spread across the following pay scales.

FW Field Worker	Rs.950-1400/1500
Sanitary Inspector	Rs.1200-2040/-
Social Worker/Male Health	Rs.1400-2300/-

Supervisor/Demonstrator/
Health Inspector Gr.III(Rlys)/
Psychiatric Social Worker

Medical Social Worker Rs.1600-2660/-
Health Inspector Gr.II (Rlys)

Malaria Supervisor/Sr. Rs.1640-2900/-
Psychiatric Social Worker/
Health Educator/Public Health
Technician

Health Inspector Gr.I(Rlys) Rs.2000-3200/-

Ch. Medical Social Worker/ Rs.2000-3500/-
Health Education Officer/
Medical Social Service Officer

*Demands in
Memoranda*

52.102 A major issue concerning Medical Social Worker/Social Worker/ Psychiatric Social Worker is the demand for uniformity in pay scales as also parity with similar personnel in the field of Labour Welfare. Other Public health workers such as Sanitary Inspector, Field Workers, Malaria Supervisors have asked for pay scale upgradation, career prospects and allowances. These latter categories have been dealt with in other chapters pertaining to the concerned organisation/ institution. Social Workers and Psychiatric Social Workers in Government Hospitals and CGHS Dispensaries with a minimum qualification of masters' degree in social work or Graduation with diploma in social work are placed in the scale of pay of Rs.1400-2300. Some Memoranda have claimed parity with medical social workers with specialisation in labour welfare, who are in a higher pay scale of Rs.2200-4000/- and function as Labour Welfare officers in Ministry of Labour. Certain others seek promotion avenues to posts of Labour Welfare Officers, PR Officers and Health Administrators, etc.

*Our
recommendations*

52.103 We have considered the matter and found that the nature of duties and responsibilities of Medical Social Worker(MSW), Social Worker(SW) and Psychiatric Social Worker(PSW) are comparable. The Fourth CPC had recommended the scale of Rs. 1600-2660 for the posts of medical social workers. The psychiatric social workers/social workers who possess the same qualifications and discharge the same duties and responsibilities as the Medical Social Workers were, however, omitted and granted a lower pay-scale by default. There is no material difference between the Medical Social Worker, Social Worker or a Psychiatric Social Worker if he/she works in a general hospital. But the same person working in a mental hospital or a psychiatric Deptt. of a general hospital is called a psychiatric social worker. It has also been demanded that to reflect the actual functions and high level of responsibilities, the post of MSW should be redesignated as Medical Social Welfare Officer and classified as Group "B" post with the initial pay scale of Rs.2000-3500/- and after completion of 8 years of service, should be given the next higher pay scale of Rs.2200-4000/-. In view of the minimum qualifications and the nature of duties & responsibilities attached to these we recommend that Medical Social Worker/Social Worker/Psychiatric Social Worker with qualification of Post Graduation or

at least Graduation, plus 2 years Diploma in Social Work, should be placed in the scale of Rs.1640-2900 at entry. The scheme of assured career progression (ACP) will meet the demand for career prospects. Since there are no higher posts in most of the institutions, no substantive promotions are possible. The 1st ACP scale should be Rs.2000-3500, and the 2nd ACP scale Rs.2500-4000/-. The administrative Ministry may consider making these posts as feeder to posts of Public Relations Officers, Labour Welfare Officers, etc., wherever they exist. Keeping in mind the nature of duties, qualifications and job content, we do not recommend parity between the Medical/ Psychiatric/ Social Workers and the officers of the Ministry of Labour.

RADIOGRAPHERS/X-RAY STAFF

Introduction

52.104 Radiographers, X-Ray Staff and Radiotherapy Technicians are paramedical professionals responsible for technical viability of Radiology in the department of Radio-diagnosis and Radio Therapy of the health care institutions. They also manage radiology in the emergency services. Radiographers are involved in the teaching of under graduate-degree courses in Radiological Technology and also various allied professions. The field of Radiography has seen the emergence of new diagnostic techniques like Computerised Digital Radiography, Computerised Tomography, Magnetic Resonance Imaging (MRI), Colour and Doppler Ultrasonography, Digital Subtraction, Angiography etc. These have to be handled by Radiographers, who also perform X-Ray and other special investigations and protecting patients and self from radiation hazards.

Distribution of Establishment

52.105 Radiography and X-Ray Staff, numbering about 383 have different cadre structures in different Central Government Hospitals in the following pay scales:-

1. Sr.Radio Therapy Tech.(Supervisor)/
Sr.Tech.Asstt./
Radiographer(Sup)
Sr.Radiographer/
Sr. Radiographer
Supervisor/Radiographer
Gr.I : Rs.1640-2900
2. Sr. Radiographer : Rs.1600-2660
3. Sr.Radiographer/ Sr.X-ray
Tech./Radiographer Gr.I : Rs.1400-2600
4. Sr.Radio Therapy Tech./
Sr.Radiographer/Tech.
Asstt./Radiographer Gr.II : Rs.1400-2300
5. Radiographer/X-Ray
Technician/Radiographer
Gr.II : Rs.1350-2200

6. Sr. Dark Room Asstt./ Technicians	: Rs.1200-2040
7. Dark Room Asstt./ Radiographer Gr.III	: Rs.975-1540
8. Dark Room Asstt./ Jr Radiographers	: Rs.950-1500
9. Tech.Asstt.(X-Ray)	: Rs.825-1200
10. Dark Room Attendant	: Rs.800-1150

*Demands in
Memoranda*

52.106 Radiography and X-Ray Staff have demanded that their posts should be upgraded in view of enhancement of entry level qualifications. Apart from provision of adequate promotion prospects, grant of a radiation risk allowance has also been asked for

*Our
recommendations*

52.107 On an analysis of the Recruitment Rules of various institutions engaging these personnel, we find that Radiographers usually enter service at three levels. As Dark Room Assistants in the scale of pay of Rs. 950-1500 recruitment is 100% direct with qualifications of Matric plus certificate in Radiography. The next higher level is that of X-Ray Assistant/Sr. Dark Room Assistant (Rs.1200-2040) recruited 50% by promotion from among Dark Room Assistants and 50% by direct recruitment with the same qualifications. Radiographers in the scale of pay of Rs. 1350-2200 are recruited 20% by direct recruitment with Matric plus a 2-year Diploma course in Radiography, and 80% by promotion from among X-Ray Assistants. Higher posts of Technical Assistant (Radiography), Sr. Radiographer (SUP), Radio Therapy Technician etc. are usually filled by promotion from these lower grades. The Association of these employees has represented that a lot of hospitals and institutions have converted this minimum 2-year requirement of Diploma Certificate in Radiography to a 3-year Diploma in Radiological Technology. And accordingly the minimum entry for Radiographers with these qualifications should be placed in the scale of pay of Rs. 2000-3500, keeping in view the nature of duties and educational qualifications and the existing levels in various hospitals and institutions. We recommend following entry levels for this category for future recruitments, as for Laboratory and OT personnel as follows:

S.No. Existing	Present Scales(Rs.)	Proposed Scales(Rs.)	Proposed Designation	
1 Radiographer Technician Supervisor Sr Radiographer		2000-3500 I	Radiographer-	Dynamic ACP Scale
2 Radiographer Technician Supervisor Sr Radiographer	1640-2900	1640-2900	Radiographer- II	No Change

S.No. Existing	Present Scales(Rs.)	Proposed Scales(Rs.)	Proposed Designation
3 Radiographer	1350-2200	1600-2660	Radiographer- Upgradation III in view of DR qualification
4 -		1400-2300	Asstt. Radiographer-I Dynamic ACP Scale
5. Senior Dark Room Asstt., Technician (X-Ray)	1200-2040	1320-2040	Asstt. Radiographer-II Post Re-designated, pay scale rationalised
6. Dark Room Asstt. Tech. Asstt (X-Ray)	950-1500	950-1500	Asstt. Radiographer III Post Re-designated

The present incumbents in the posts of Radiographers, requiring a minimum of 2 yrs. diploma/ certificate after 10+2 may be placed at the level of Rs.1320-2040. Entry level qualification for Asstt. Radiographers will be atleast 10+2 with science, besides a certificate in Radiography. Since posts at Sl.No. 1 form feeder to the latter, the gap may be bridged by placing Sr. Dark Room Assistants at the level of Rs.1320-2040, with an ACP at the level of Rs.1400-2300. Radiography Technician/Supervisors and Sr. Radiographers being promotion posts, may be placed at the level of Rs.1640-2900. There will be one more level for 2nd ACP of Radiographers at the scale of Rs.2000-3500. Dark Room Attendants may be merged with the common category of group D. As Radiographers are trained to handle risks of radiation, a special radiation risk allowance is not recommended.

OTHER TECHNICIANS

Introduction

52.108 There are some posts of other para-medical technicians like EEG, ECG and EMG Technician, Audiometry Technicians, Cardiography Technician, Dialyser Operator, etc. These are isolated categories working in hospitals and training institutions with very little or, in some cases, no promotion prospects, in pay scales ranging from Rs. 800-1150 to Rs. 1400-2300. Minimum educational qualification for direct recruitment to these posts is usually a Degree in Science, diploma in Engineering, or even matriculation with a few years of relevant experience.

Demands in Memoranda

52.109 Demands in Memoranda received by us have largely talked of poor pay scales offered compared to the qualifications and job content. Lack of promotion avenues and lucrative opportunities in the open market have also been highlighted by them.

Previous CPCs

52.110 According to the Third CPC, pay scales of all such para-medical staff including Radiographers, Pharmacists and ECG Technicians were placed in the pay scale of Rs. 330-560. The Fourth CPC awarded the pay scale of Rs. 1350-2200 to all para-medical staff other than ECG and other Technicians who were omitted from the report and consequently placed in the pay scale of Rs. 1200-2040. This has resulted in an anomaly.

Our recommendations

52.111 EMG, EEG and Audiometry Technicians usually require at least an Engineering Diploma or a B.Sc. Degree after 10+2 for direct recruitment to different grades, as follows:-

S.No.	Nomenclature	No.of posts	Essential Qualification
1	Safdarjung Hospital:		
	i) ECG Technician, Rs.1200-2040	9	Matric + Experience
	ii) Lab Technician, Rs 1200-2040	2	B.Sc.(Physics) + 1yr. exp./ Diploma in Engineering
	iii) EEG Technician, Rs 1320-2040	4	B.Sc.(Physics) + 3 yrs.exp./ Diploma in Engineering.
	iv) EMG Technician, Rs 1400-2300	1	B.Sc./Diploma in Engineering
	RML Hospital:		
2.	i) Audiometry Technician, Rs.1200-2040	1	Diploma in Communication Engineering
	ii) Sr ECG Technician, Rs.1200-2040	4	Matric + 1 yr. experience
	iii) Sr.ECG Technician, Rs.1400-2300	1	B.Sc.(Physics) + 1 yr. exp. or Diploma in Engineering.
	iv) EEG Technician,	2	-do-
3	JIPMER:		
	i) Cardiographic Technician Rs.1320-2040	2	Matric + 3 yrs experience
	ii) Dialysis Operator, Rs 1320-2040	1	-do-

Cardiographic Technician and Dialyser Operator both in the scale of Rs. 1320-2040 and ECG Technician at Safdarjang Hospital in the scale of Rs. 1200-2040 have the direct recruitment qualification of matriculation and some experience. There are also some ECG Technicians in the scale of pay of Rs. 1200-2040 recruited directly with matriculation plus experience as minimum qualification. Keeping in mind the qualifications and nature of duties attached to these different posts in the second category, we do not consider that upgradation is justified. However, consequent on the rationalisation of the scale of pay of Rs. 1200-2040, the posts requiring matriculation with some experience as minimum qualifications for direct recruitment should be placed in the scale of pay of Rs. 1320-2040 with Assured Career Progressions to the scales of pay of Rs. 1400-2300 and Rs. 1600-2660 respectively. We also recommend that the other Technicians entering service with either a Degree in Science or Diploma in Engineering should be upgraded to the scale of pay of Rs. 1600-2660 with Assured Career Progression on a dynamic basis to the levels of Rs. 1640-2900 and Rs. 2000-3500, respectively.



BROAD PRINCIPLES FOR SENIORITY FIXATION OF DOCTORS

1. Medical Doctors will enter service at three levels - GDOs (Rs 2200-4000), Specialists (Rs.3000-4500) and Super-specialists (Rs.3700-5000). The inter-se seniority of GDMOs will be fixed in the order of merit at the point of entry into service in the grade of Rs.2200-4000.
2. Specialists will be recruited 50% by promotion and 50% by direct recruitment, the first point being set aside for promotion. Inter-se seniority among specialists will be fixed in the order of the point of entry into service in the grade of Rs 3000-4500.
3. On the date of entry of specialist(s) in the scale of Rs.3000-4500, Specialists and GDOs already in that grade on regular basis on that date, will rank en-bloc senior to the specialist entrant(s), who will be en-bloc senior to all the GDOs who enter that grade on the same day. This criterion should be followed for combined seniority in the first instance.
4. Inter-se seniority among the superspecialists will be decided by the point of entry into service. On the date of entry of a super-specialist(s), in the grade of Rs.3700-5000, all medical officers already in that grade on regular basis on that date, as per combined seniority will rank en-bloc senior to the super-specialist entrant(s). All super-specialists entering service on that date will rank next, followed by medical officers of the combined seniority entering that grade by promotion to posts other than Super-Specialists, on that date, in that order. This will be the final combined seniority list for promotions to higher positions.

CATEGORIES OF PARAMEDICAL STAFF

S.No.	Nomenclature	Group			Total
		A	B	C	
1.	Nursing Staff	30	4071	6190	10,298
2.	Pharmacists	1	588	2894	3,483
3.	Med.Lab Technicians	-	159	829	988
4.	Public and Social Health Workers	1	168	1151	1,320
5.	O T Tech Staff	-	1	146	147
6.	Physio Therapists & Occupational therapists	12	8	157	177
7.	Clinical Psychologist	4	3	2	9
8.	Para Dental Staff	-	-	44	44
9.	Radiographers	-	42	335	377
10.	Dieticians	-	17	35	52
11.	Other para medical Staff	-	5	48	53
TOTAL					16,939

Group 'D' Staff

INTRODUCTION

53.1 Prior to January 1, 1986, Group 'D' posts in the Central Government were in different scales of pay. These were reduced to only three scales (Rs.750-940, Rs.775-1025 and Rs.800-1150) by the Fourth Pay Commission. In April 1995, in consultation with the Staff Side in the National Council of the Joint Consultative Machinery, the Finance Ministry merged the scale of Rs.775-1025 and Rs.800-1150 into a single scale of Rs.775-12-871-14-955-15-1030-20-1150. The earlier two scales were simultaneously abolished and recruitment or promotion to either of these two scales was discontinued. Such of those employees as were already in the scale of pay of Rs.800-1150 and opted to retain this scale as personal to them were, however, permitted to do so. The decision to merge the two scales was, however, not applicable to Group 'D' posts in the industrial or work-charged categories and to the Railway employees.

*Recruitment
procedure*

53.2 A large number of Group 'D' posts in the non-workshop categories bear designations, such as Peon, Daftary, Jamadar, Safaiwala, Farash, Record Sorter, Junior Gestetner Operator, etc., which are indicative of functions or occupations. Direct recruitment to these posts is generally made in the scale of Rs.750-940 and incumbents are promoted to posts in the scale of pay of Rs.775-1150. While no specific and essential educational qualifications have been prescribed for recruitment to the posts of Safaiwala, Farash and Chowkidar because of the nature of their duties and responsibilities, education upto middle school level is required for the other Group 'D' posts in the non-workshop categories because of their having to handle papers, dak, etc.

Strength

53.3 As on March 31, 1994, the total number of Group 'D' employees in the Central Government, including those deployed in workshops, aggregated to 12.38 lakhs. Of these, 6.01 lakh posts were in the scale of pay of Rs.750-940 and the remaining 6.37 lakh posts were either in the two scales of Rs.775-1025 and Rs.800-1150 or in the merged scale of Rs.775-1150. Demands relating to the common, non-workshop categories of Group 'D' personnel have been discussed in this chapter. Those relating to the workshop categories and certain miscellaneous

non-workshop categories deployed in a few individual departments have been dealt with separately in the relevant chapter.

DEMANDS

53.4 A large number of demands received from Group 'D' personnel primarily relate to the following:-

- (a) Upward revision of scales of pay.
- (b) Stagnation and absence of adequate promotion avenues
- (c) Increase in quota for promotion to clerical cadre and other Group 'C' posts
- (d) Creation of promotion posts of Record Keeper without having to surrender simultaneously posts of Lower Division Clerk
- (e) Payment of Night Duty Allowance

*Pay scales &
qualifications*

53.5 It has been represented that the clubbing of peons in the Central Government with other Group 'D' personnel like Farash, Chowkidar, Mali, etc. and placing them in the scale of pay of Rs.750-940 is unjustified in the light of the educational qualification prescribed for them and having regard to the fact that many of them possess higher educational qualifications and attend to senior officers, ministers, etc. It has also been pointed out that certain other categories of Group 'D' employees have also been placed in a higher scale of Rs.825-1200. Pay scale nearly equal to that of Clerks has, therefore, been demanded for the Peons. Parity with the scale of pay (Rs.950-1560) applicable in the New Delhi Municipal Committee has also been sought in some of the memoranda for the posts of Peon, Safaiwala, Farash and Chowkidar, while some others have sought parity with their counterparts in the nationalised banks.

*Variation in
promotion scale*

53.6 Comparison has been drawn between the promotion scales applicable to Peons, who were promoted as Daftaries in the scale of Rs.775-1025, and Malis, who are eligible for promotion as Head Malis in a higher scale of Rs.800-1150. Revision of the scale of pay of the post of Daftary to Rs.800-1150 has, therefore, been sought. Other demands relate to the upgradation of the scale of the post of Record Keeper from Rs.825-1200 to Rs.950-1500 at par with Lower Division Clerks, redesignation of Daftaries in CPWD as Record Keepers and their placement in the scale of Rs.975-1540, etc.

*Defence
Employees*

53.7 Group 'D' employees in Defence establishments have, on the other hand, suggested that all Group 'D' posts, such as Laskar, Safaiwala, Watchman, Gardener, Cadet Orderly, Water Carrier, Rat Catcher, etc. should be reorganised in a single cadre and provided two grades (Grade I and Grade II), besides a supervisory grade.

OUR RECOMMENDATIONS

Anomalies due to merger of pay scales

53 8 Our attention has also been drawn to certain anomalies that are stated to have arisen as a result of merger of the two scales of pay of Rs. 775-1025 and Rs. 800-1150 into a single scale of Rs. 775-1150. It has been pointed out in this context that the Group 'D' personnel have been placed at a disadvantage because (a) of the differential rates of increment in the merged scale; (b) those in the scale of Rs. 750-940 would now be entitled to fixation of their pay on promotion only once in the merged scale of Rs. 775-1150, instead of on two occasions on promotion initially to the scale of Rs. 775-1025 and thereafter to the scale of Rs. 800-1150; and (c) fixation of pay, on promotion, of those at the maximum of the scale of Rs. 750-940 at a lower stage of Rs. 970 in the merged scale in relation to the stage of Rs. 980 in the pre-merged scale of Rs. 775-1025.

53 9 As has been mentioned at the outset, the scales of Rs. 775-1025 and Rs. 800-1150 were merged into a single scale of Rs. 775-1150 only in consultation with the Staff Side in the National Council of the Joint Consultative Machinery. This was intended as a measure of alleviating stagnation in the lower scale. Had the two scales not been merged, many employees would have superannuated at the maximum (Rs. 1,025) of the scale of Rs. 775-1025, as against the maximum of Rs. 1,150 available in the merged scale. No doubt, this might have resulted in a disadvantage to some employees, but this is inherent and unavoidable in any scheme of rationalisation.

Higher pay scales to Peons

53 10 The comparison sought to be drawn between the Peons and certain other personnel like Postmen, Constables in the Central Police Organisations, etc. is not appropriate having regard to the substantial differences in their duties and responsibilities. Quite obviously, posts of Constable and Postman involve higher responsibilities. Constables in the Central Police Organisations are also required to function round the clock and are liable to be transferred. Similarly, the demands for parity with the scale of pay (Rs. 950-1560) applicable in the New Delhi Municipal Committee for the post of Peon, Safaiwala, Farash and Chowkidar, or with scales of pay applicable in the nationalised banks are not justified. Whereas the New Delhi Municipal Committee is an autonomous organisation, we have not conceded the demand for parity with the public sector.

Peons vs Safaiwalas

53 11 As regards the contention that peons are better qualified than the safaiwalas, farashes, chowkidars, etc. and that they should, therefore, be placed in a higher scale of pay, it has been clarified by the Department of Personnel and Training that the qualifications prescribed for different Group 'D' posts are commensurate with the functions required to be performed by the incumbents of different categories. No doubt, a higher educational qualification (Middle School pass) has been prescribed for the peons in relation to safaiwalas, farashes, etc. but the arduous nature of the duties and split hours of working of the latter categories would justify their being placed in a scale of pay at par with the peons.

Daftary. Record Keeper

53 12 The functions of Daftaries and Record Keepers are distinct and there is, therefore, no justification for the upgradation of the scale of pay of the former post to that of the latter.

Our
recommendations

53.13 As a measure of rationalisation of the Group 'D' cadres, the following measures are suggested:

- (a) Based on their duties and responsibilities, various Group 'D' posts may be broadly merged in four Occupational Groups, viz. Office Attendants (comprising Peons, Daftaries, Gestetner Operators, Packers, etc.) Cosmetic Attendants (Safaiwalas, Sweepers, Farashes, etc.), Security Attendants (Chowkidars, Watchmen, etc.) and Malis. Malis have been separately dealt with in the Chapter on Common Categories.
- (b) Posts in each of the Occupational Groups will have only a single designation, indicative of their broad functional area of responsibility. Based on the concept of multiskilling, the scope of duties and responsibilities of each of the Groups would be appropriately enlarged so that they perform different kinds of functions relevant to their Group, without separate posts being provided for each such function as at present.
- (c) Each of the Occupational Groups may be placed in a four-tier structure comprising the replacement scales of pay corresponding to Rs.750-940, Rs.775-1025, Rs.800-1150 and Rs.825-1200. Initial entry will be at the lowest scale corresponding to Rs.750-940, except in those cases where direct recruitment is resorted to presently in the second scale of pay. Posts in the four tiers of the Office Attendants Occupational Group will be designated as Office Attendant Grade III, Office Attendant Grade II, Office Attendant Grade I and Senior Office Attendant. Similar designations will be provided for posts in the Cosmetic Attendants Occupational Group and the Security Attendants Occupational Group. It may be clarified that the fourth scale of Rs.825-1200 will be part of the "Supporting Staff" category, and will consist of the posts presently in that scale as allocated to each Occupational Group. For persons recruited at the level of Rs.750-940, promotions to Rs.825-1200 will be functional but for those appointed at the level of Rs.775-1025, this will be the second upgradation under the Assured Career Progression Scheme.
- (d) The essential educational qualification for appointment as Office Attendants and Security Attendants shall be of middle school level (8th Standard), whereas elementary education up to 5th Standard would suffice for appointment as Cosmetic Attendants.

STAGNATION AND ABSENCE OF ADEQUATE PROMOTION AVENUES

Present
position

53.14 Drawing attention to the acute stagnation in the Group 'D' cadres, memorandists have urged that time-bound promotions should be provided after every ten years. It has also been pointed out that promotion prospects of Group 'D' employees in the Railways and P&T Department have improved following the reservation of 50% of the posts of Lower Division Clerks for their promotion to the

clerical cadre, and that even in the Audit & Accounts Department, the reservation for Group 'D' employees has been increased from 15 to 20%. It has, therefore, been demanded that 25% of the posts in the cadre of Lower Division Clerks should be reserved for promotion of qualified Group 'D' employees, 10% of the posts being filled on the basis of seniority-cum-fitness and the remaining 15% through a departmental examination.

53.15 It has also been contended that though posts of Record Keeper were created to provide promotion avenues for the Group 'D' Staff by abolishing an equal number of posts of Lower Division Clerk, this measure has not really served the purpose in the absence of proper record rooms. It has, therefore, been suggested that the posts of Record Keeper may be abolished and the promotion prospects of Group 'D' employees improved instead by providing a higher percentage of posts in the clerical cadre.

53.16 In August, 1982, in pursuance of a decision of the Committee of Ministers, the quota for promotion of educationally qualified Group 'D' employees to the clerical cadre was increased from 10 to 15%. The Department of Personnel & Training have opined that any further enhancement of the quota would not be conducive to maintaining the standards of administrative efficiency, apart from affecting adversely the vacancies available to the general categories of candidates.

*Our
recommendations*

53.17 The contention that the quota for promotion of Group 'D' personnel to the clerical cadre has been increased from 15% to 20% in the Audit & Accounts Department is not factually correct. The department also follows the guidelines of DOP&T. Only matriculate Group 'D' staff are eligible for promotion as Lower Division Clerk to the extent of 10% of the vacancies through a departmental examination and 5% of the vacancies based on seniority. Having regard to the views of the Department of Personnel & Training, the present promotion quota of 15% would appear to be adequate. Besides, organisation as earlier proposed, of the Group 'D' cadres in a four-tier structure and introduction of the Assured Career Progression Scheme would provide some financial benefits to the incumbents. The quota may not, therefore, be increased. In fact, it is recommended that the entire 15% of the vacancies should be filled only on the basis of the results of a limited departmental competitive examination, so as to ensure that only those fulfilling certain minimum standards are promoted to the clerical cadre.

53.18 In accordance with our general suggestions on restructuring the Group 'D' cadres, the posts of Record Keeper will now form part of the Office Attendants Occupational Group. There will be no separate posts of this category and the relevant functions would instead be entrusted to any of the Group 'D' personnel in an office.

BENEFIT OF FIXATION OF PAY ON PROMOTION AS PEONS

53.19 It has been represented that incumbents of posts of sweeper, chowkidar, jamadar, mali, etc. promoted to posts of peon should be entitled to the benefit of advance increments, pay fixation, etc. This has been sought to be

justified on the ground that the promotion to the post of peon involves assumption of higher responsibilities.

53.20 All the posts referred to, including those of Peons, are presently in the identical scale of pay of Rs.750-940. The appointment of sweepers, chowkidars, and so on as Peons is on transfer and this is not considered to be a promotion. The demand for the benefit of pay fixation, advance increments, etc. is, therefore, not justified and we are unable to accept the same.

PROVISION OF MECHANICAL AIDS TO SWEEPERS

53.21 The demand that modern mechanical aids should be provided to the sweepers is unexceptionable. We recommend that aids such as vacuum cleaners, mechanised mops, floor polishing equipment, etc. may be provided to this category. This should be combined with training in the use and maintenance of these contrivances

TREATMENT AS INDUSTRIAL WORKERS AND PAYMENT OF NIGHT DUTY ALLOWANCE

*Treatment as
Industrial
Workers*

53.22 It has been represented that Peons, Daftaries, Safaiwalas, Chowkidars, Darbans, etc. in the Government Presses should be treated as industrial workers and that the Chowkidars, who work round the clock, should be entitled to Night Duty Allowance. By definition, an industrial worker is one who is employed in an industrial or work-charged establishment and produces an article of commercial value either manually or with the aid of tools and machines. The duties of the incumbents of the posts referred to in the demand are, however, entirely different and they would not be covered by the definition. The demand to treat them as industrial workers lacks justification and cannot be acceded to.

*Night Duty
Allowance*

53.23 Chowkidars are not deployed round the clock, as stated, but are only required to perform shift duties, which include night duty as part of their normal responsibilities. Night Duty Allowance claimed is consequently not justified

ISSUES PECULIAR TO INDIVIDUAL DEPARTMENTS

CPWD

53.24 Apart from the normal Group 'D' posts, there are posts designated as Barkandaz in the Central Public Works Department in the scale of pay of Rs.750-940. The incumbents of the post are attached to Cashiers and are entitled to a special pay of Rs.20 p.m. It has been pointed out that multiplicity of Group 'D' posts without any significant differences in duties is not of any particular advantage. It has, therefore, been suggested that there should be a common category of Group 'D' Staff, which should be placed in the scale of pay of Rs.825-1200. Besides, a higher scale of pay has also been demanded for the post

of Barkandaz on the ground that it carries greater responsibilities involving cash transactions.

53.25 The demand that there should be only a common category of Group 'D' Staff would be met by the proposed restructuring of the Group 'D' posts in distinct occupational groups. The higher scale of pay is, however, not justified because this would disturb existing relativities.

53.26 In conformity with the general proposals on restructuring, the post of Barkandaz should be merged in the group of Office Attendants and designated as Office Attendant, Grade III. A special pay is attached to the post only in consideration of the fact that the incumbents assist the Cashiers. The special pay may, therefore, be enhanced in terms of our recommendations made separately in respect of the common category of Cashiers and the Group 'D' Staff assisting them.

53.27 Apart from urging that Safaiwalas should be considered for promotion to the post of Sepoy after a reasonable period of service, the Group 'D' employees of the Directorate of Revenue Intelligence have also pointed out that a majority of the posts of Daftaries in the Directorate having been redesignated as those of Havildars, the remaining posts should also be so redesignated. Following the proposed restructuring of the Group 'D' cadres, Daftaries would form part of the occupational group of Office Attendants and there would appear to be no justification for converting the posts to those of Havildars. Similarly, as a result of introduction of the Assured Career Progression Scheme, Safaiwalas would be eligible for promotion in the cadre of Cosmetic Attendants. The question of their lateral movement to posts of Sepoys does not, therefore, arise.

*Department of
Tourism*

53.28 Employees of the Department of Tourism have pointed out that posts of Photostat Operator, Addressographer, Senior Gestetner Operator, Junior Library Attendant, etc. have not been created by the Department to provide promotion avenues for the Group 'D' Staff. Creation of posts will necessarily have to be justified on functional requirements and cannot be resorted to merely in order to provide promotion avenues. Based on the restructuring proposals, multiskilling will also be introduced for performing functions related to photocopying, mechanical printing of addresses, etc. Besides, the Assured Career Progression Scheme will provide some relief to the Group 'D' Staff. Creation of posts in higher scales of pay is, therefore, not recommended.

*Ministry of Law
Official
Language
Wing*

53.29 On the ground that there are only a limited number (15) of ex-cadre posts of Lower Division Clerk in the Official Language Wing, to which they can be considered for promotion, Group 'D' employees of the Wing have urged that they should be permitted to appear in the departmental examination conducted by the Staff Selection Commission for improving their career prospects. The Official Language Wing does not participate in the Central Secretariat Services Scheme. Consequently, Group 'D' employees of this Wing are not eligible for promotion to the posts of LDC in the Ministry though they are part of the Ministry. Till such time as the official Language Wing is fully integrated with the main ministry, they cannot be permitted to appear in the departmental examination. The

Assured Career progression Scheme will, however, provide some relief to these employees.

All India Radio

53.30 The post of Sorter (Rs. 775-1150) in the Audience Research Unit of All India Radio is in Group 'D'. Its upgradation to the post of Clerk, Grade II, in the scale of Rs 950-1400 has been demanded on the ground that the duties of the post are clerical in nature involving programme-wise sorting of a large number of letters and audience responses to facilitate surveys. This has also been recommended by the Ministry on the ground that the duties require intelligence, alertness and sincerity and that the incumbents shoulder higher responsibilities than Daf-tarics, who are also presently in an identical scale of pay.

53.31 The post of Sorter is filled only by promotion of Peons with three years' service in the scale of pay of Rs. 750-940 and no additional qualifications have been prescribed. Its upgradation to the level of LDC cannot, therefore, be accepted. The post should form part of the occupational group of Office Attendants. By virtue of the higher scale of pay (Rs. 775-1150) of the post, it may be designated as Office Attendant, Grade II, and placed in the corresponding replacement scale.

*Directorate of
Advertising &
Visual Publicity*

53.32 It has been stated that a majority of the incumbents of the 60 posts of Packer in the scale of pay of Rs. 750-940 in the Directorate of Advertising and Visual Publicity retire in the same post because there exist only two posts of Head Packer in the scale of pay of Rs. 950-1400, to which they can aspire for promotion. Creation of four more posts of Head Packer has, therefore, been demanded. Creation of additional posts will have to be justified on functional requirements. The Ministry may be advised to review the requirements in consultation with Finance and create additional posts, if justified. In the meantime, the posts of Packers may be merged in the occupational group of Office Attendants and placed in the four-tier structure proposed. This measure, combined with the introduction of the Assured Career Progression Scheme will provide some relief.

*Income Tax
Department*

53.33 It has been reported that 25% of the posts of Peon in the Department are reserved for employees of the State Governments concerned, which affects adversely the prospects of the departmental sweepers, watchmen, malis, etc. Abolition of this quota and increase in the departmental quota to 50% has, therefore, been requested. The rationale for earmarking certain posts for State Government employees is not very clear. The appointment of sweepers, watchmen, etc. as peons is strictly not a case of promotion, but only of lateral transfer to a post in an identical scale of pay. While recommending that the practice of appointing State Government employees may be discontinued, considering the higher qualification prescribed for the post of Peon and in order to maintain appropriate standards, it may not be desirable to earmark these posts for appointment of sweepers, watchmen, etc. The incumbents of these posts will, in any case, be placed in the proposed four-tier structure, and only such of those who fulfil the educational qualifications may be considered for appointment as Peons on transfer based on the existing quota.

*Central Braille
Press, Dehradun*

53.34 It has been represented that the scale of pay of Packers (Rs 750-940) in the Braille Press is lower than that of their counterparts in the Survey of India. Parity has, therefore, been demanded. We have found that there

has been a difference all along in the scales of pay of Packers in the two organisations, as indicated below:-

	Braille Press	Survey of India
	Rs.	Rs.
Second Pay Commission	80-95	80-110
Third Pay Commission	196-232	200-260
Fourth Pay Commission	750-940	775-1025

53.35 Only the corresponding replacement scales having been extended to these posts in the two organisations from time to time, there is prima facie, no anomaly. In terms of our earlier proposals, Packers in both the organisations will now form part of the occupational group of Office Attendants and placed in the restructured cadre. Parity will thereby be ensured.

*Defence Research
& Development
Organisation*

53.36 Inviting attention to the total lack of promotion avenues for the Helpers and Watchmen in the Combat Vehicle Research and Development Establishment (CVRDE), an organisation of the DRDO, the employees have urged that they should be provided at least one promotion prior to their retirement. Placement of the incumbents of these posts in the four-tier structure of the appropriate occupational group and introduction of the Assured Career Progression Scheme would provide the necessary relief.

*Ministry of
Defence*

53.37 In order to improve the prospects of Group 'D' employees, it has been suggested that (a) direct recruitment to Group 'C' posts should be restricted to only 50% of the posts and the remaining 50% filled by promotion of departmental candidates and (b) the Group 'D' employees should be permitted to appear in the departmental qualifying tests in the regional languages. The nodal Ministry have informed that even the vacancies presently reserved for the promotion of Group 'D' employees to the extent of 10% in the cadre of Lower Division Clerks and 25% in the cadre of Assistant Store Keeper are not being entirely utilised in the absence of qualified candidates among the Group 'D' employees and that the increase in the quota to 50% as suggested would not, therefore, serve any purpose unless the qualification requirements are diluted. It has further been clarified by the Ministry that it would not be administratively feasible to conduct the departmental qualifying tests in various regional languages. In the light of the position clarified by the nodal ministry, we do not recommend acceptance of the suggestions.

*Department of
Posts*

53.38 It has been represented that Peons, Messengers, Orderlies, Packers, Sweepers, Letter Box Peons, Daftaries, Jamadars, etc. in the postal Department are engaged in operational duties, which involve some element of skill, job perfection, etc., and that they should, therefore, be placed in scales of pay applicable to semi-skilled categories. Duties and responsibilities of all similar posts in various departments of the Central Government are identical. Any special

dispensation only in the case of Department of Posts would be unjustified and discriminatory. The posts should instead be placed in the appropriate scales of pay in the relevant occupational group



सत्यमेव जयते

Workshop Staff

- Introduction* 54.1 The artisans employed in Central Government Workshops, production units and departmentally-run establishments, which are factories as defined in the Factories Act, 1948, constitute approximately one-fifth of the total staff strength of the Central Government. The major departments/ministries employing artisans are Ministry of Railways, Ministry of Defence, Department of Telecommunications and Printing Presses under different ministries/departments. The term 'artisan staff' in Railways also includes workshop categories working outside workshop premises such as Loco Running Sheds and Carriage and Wagon Depots which are not subject to the Factories Act. Railways and Defence account for ninety five percent of workshop staff in government.
- Industrial Establishments in major Departments* 54.2 In Railways, there are 115 loco sheds, 385 Carriage & Wagon sick lines and repair depots, 44 repair workshops and 6 production units. In the Telecommunications Department, there are six departmental factories manufacturing various types of telecom equipment. The turnover for the year 1993-94 of these factories was Rs.117.71 crores. The major units employing civilian industrial employees under the Ministry of Defence are Director General Ordnance Factories, Adjutant General's Branch, Naval Headquarters, Military Engineering Service, Director General Electrical and Mechanical Engineering and Defence Research and Development Organisation.
- Number of pay scales* 54.3 Prior to the Second CPC, there were 27 scales of pay for workshop staff/artisan categories. The Second CPC recommended 21 scales of pay for these categories. The large number of pay scales, particularly in Defence establishments (19) continued till Third CPC, although in Railway Workshops and Production Units there were only five pay scales at that point of time. The Third CPC recommended 5/6 pay scales - one each for unskilled and semi-skilled categories, one/two for skilled and two for highly skilled artisans. The Third CPC also recommended creation of a new grade of 'master craftsman' as an incentive to the highly skilled artisans to remain in their own line and to enable government to retain the highly skilled staff in many critical trades for which there was considerable demand outside.
- 54.4 Despite the Third CPC's recommendations for only 5/6 pay scales, there were 20 scales of pay for industrial workers at the time of the Fourth CPC.

although of the 8.38 lakh 8.30 lakh workers were covered by eleven and the remaining 0.08 lakh workers by nine scales of pay.

Classification of Workers

54.5 The Fourth CPC suggested that the then existing classification of workers into unskilled, semi-skilled and highly skilled might continue and recommended only five scales of pay - one each for semi-skilled and skilled workers, two for highly skilled and one for master craftsmen. In Railways, there are only six pay scales (including the lowest pay scale of an unskilled worker) for the artisans. In Defence establishments as well, the same number and pattern of pay scales have been assigned to different categories after re-categorisation by an Expert Classification Committee.

Skill-wise breakup

54.6 The skill-wise break-up of industrial/workshop staff is indicated in the table below:-

Ministry/ Department	Unskilled Rs 750-940	Semi-skilled Rs 800-1150	Skilled-III Rs 950-1560	Highly Skilled-II Rs 1200- 1800	Highly Skilled-I Rs 1320- 2040	Supervisors Rs 1400- 2300 and other Scales	Total
Railways	64539 (12.95)	118904 (23.87)	92475 (18.56)	93649 (18.68)	97168 (19.50)	32099 (6.44)	498230 (53.09)
Defence	93021 (23.73)	73171 (18.66)	136501 (34.82)	36009 (9.95)	34778 (8.87)	15538 (3.96)	392018 (41.77)
Telecom	1283 (21.34)	1506 (25.05)	2304 (38.32) (including 142 in Rs.975-1540)	387 (6.44)	232 (3.86) (including 95 in Rs.1200- 2040)	301 (5.0)	6013 (0.64)
Printing Presses	1468 (11.94)	431 (3.51) (including 13 in other scales)	6666 (54.23)	618 (5.03)	1861 (15.14) (including 342 in Rs.1200- 2040)	1249 (10.16)	12293 (1.31)
Others	3150 (10.51)	10232 (34.15) (including 2711 in other scales)	2592 (8.65) (including 214 in Rs.975-1540)	2317 (7.73)	7086 (23.65) (including 541 in Rs.1200- 2040)	4584 (15.30)	29961 (3.19)
Total	163461	204244	240268	135380	141125	53771	938515
% age of total	(17.42)	(21.76)	(25.6)	(14.43)	(15.04)	(5.73)	(100.00)

Note : Figures in brackets are % age of the total.

The ratios of supervisors to skilled staff and other connected ratios are shown below:

Ratios

Ministry/Department	Supervisor/Skilled + Semi-Skilled	Supervisor/Skilled	Un-skilled/ Semi-Skilled	Semi-skilled/ Skilled III + II + I
Railways	7.99%	11.35%	54.28%	42.06%

Ministry/Department	Supervisor/Skilled + Semi-Skilled	Supervisor/Skilled	Un-skilled/ Semi-Skilled	Semi-skilled/ Skilled III + II + I
Defence	5.48%	7.39%	127.13%	34.8%
Telecom	6.8%	10.3%	85.19%	51.52%
Printing Presses	13.04%	13.66%	340.6%	4.71%
Others	20.61%	38.21%	30.78%	85.30%
Total	7.46%	10.40%	80.03%	39.52%

54.7 It may be seen that,--

There is a very large unskilled workforce in Defence Establishments and Telecom Factories (almost one fourth) and further heavy concentration (34.82% and 38.32%) at the lowest skilled level as compared to Railways.

The ratio of Supervisors and skilled/semi-skilled workforce is slightly better in Railways as compared to Defence and Telecom factories.

54.8 The reason for higher skill formation in Railways is presumably higher initial recruitment qualification, direct recruitment of 25% Apprentices with ITI qualification at the lowest skilled level and better inter-grade ratio. A comparative position of recruitment qualifications and some other parameters is given below:-

Category and Pay scale (Rs)	Railways	Telecom Factories	Directorate of Printing
Unskilled 750-940	DR : 50% (Apprentices) 10%(Khalasis 8th Pass) 40% (other Departments fw DR)	Physical fitness & suitability for an unskilled job.	Middle pass or equivalent
Semi-skilled 800-1150	3 year's Trade Test Promotion	Pr : 75% (5 years experience). DR : 25% (3 years 100% DR in some trades (Desirable 8th + ITI)	Pr : 50% DR : 50% Middle School Pass
Skilled III 950-1500	DR : 25% (Apprentices) ITI/10th Pass. Training: Act Apprentice/ITI 6 months, Matric	Pr : 50% (5 years DR : 50% course from recognised TT school with 2 years' exp. or 5 years practical	Pr : 75%, DR : 25% Middle Pass + Certificate of apprenticeship or certification

	3 years. experience.	of vocational course at +2 level in Printing Tech. or 3 years exp. in trade.
	-LDCE 25%(from SS/US) with educational qualification as laid down in Apprentice Act + Training.	
	-50% of promotion from Semi-Skilled Khalasi Helper/ Trade test with 6 months in service training	
Highly Skilled Trade Test II/Skilled-II 1200-1800	Pr.: 75% (5 years service) DR : 25% (Matric+ ITI+5 years exp as Electrician)	
Highly Skilled Trade Test I/Skilled-I 1320-2040	Pr. : 100%	Pr. fw DR (Matric+Cert. of Apprentice -ship or 5 years exp. in trade.
Master Craftsman 1400-2300	Promotion(DPC) for MC Selection by seniority for Mistry.	Pr. fw DP
Chargeman 'B' 1400-2300	DR (Diploma Eng.) 50% Int. App.Mech. 25% Selection from Rankers 25%	Chargeman Pr. Inspector DR: 50% Diploma in Elect./ Telecom Engg./ Mech.,Pr. 50% Industrial Workers

Legend :-

Pr. Promotion	Tr. Transfer, Dip:-	SS: Semi-Skilled	Re. Rc -
DP: Deputation	Diploma; Cert:	Qual.:Qualification	Employment
fw : Failing	Certification,	DR:Direct Recruitment	TOD.
which	US:Un-skilled;		Transfer on
	MC: Master Craftsman,		Deputation.
	Dip. - Diploma		

DEFENCE ESTABLISHMENTS

Category & pay Scale (Rs.)	Ordnance Factories	MES	EME	AG's Branch	DRDO
Unskilled 750-940	Essential : 5th Pass Desirable: Matriculation	Desirable: 5th Class	8th Class	Primary School Pass	8th Class

Semi-skilled 950-1150	For 26 trades: 80% Tr. on passing trade test FW DR: NCT/ATI or equiv. 20% Pr. un- skilled with 3 years & trade test For 38 trades: Pr. 100% (No probation)	Pr/Tr/Re/DR Qual. one year course in ITI/ NCT	Pr/Tr/Re/DR 3 years service Qual. ITI or 10 + ex- serviceman	Pr: 33 1/3% DR: 66 2/3% Qual: 10th class or 8th pass
Skilled(HS III) Trade Test 950-1500		Pr/Tr/Re/DR 2 yrs course in ITI/ NCT	Pr/Tr/Re/DR 3 years' service Qual: ITI/3 yrs in Govt./Pvt. firm of repute	Mainrc + ITI 1 year's exp
Highly Skilled II Trade Test 1200-1800		Promotion/Trade Test	Promotion/3 yrs experience	Promotion/DR Qual: 10th + ITI - 1 yr. exp in trade
Highly Skilled I Trade Test 1320-2040		Promotion/Trade Test DR: 3 yrs Dip. in Mech/ Elec. Engg.	Promotion/DR Qual: ITI or 10-2 with Maths & Phy	Promotion/DR Qual: 10th + Dip.(3 yrs) or ITI or 4 yrs exp. or profi- ciency cert. + 4 yrs exp. Promotion : Chargeman II
Master Craftsman 1400-2300 Chargeman 'B' 1400-2300	DPC DR (Dip. Engg.) 66 2/3% after ad- justment of surplus and transfer		Pr. 66+2/3% 5 yr. TOD/RE/DR 33-1/3%	

Legend :- Pr. Promotion; DP: Deputation; FW: Failing which; Tr. Transfer; Dip.- Diploma
Cert. : Certification; US : Un-skilled; MC: Master Craftsman; SS: Semi-Skilled; Qual. : Qualification;
DR: Direct Recruitment; Re. Re-Employment; TOD : Transfer on Deputation

	<u>Railways</u>	<u>Defence</u>	<u>Printing Presses</u>	<u>Telecom Factories</u>
* Age of Retirement	58 years	60 years - 60 years		60 years
* Technical Supervisors				
- Overtime	No	Yes	Yes	No
- Rent Free Accommodation	No	+ Yes (Ofs and Base Ests)	No	No
- Director Recruitment of Engineering Graduates	Yes 20% (Rs 2000-3200)	Promotion/Transfer failing which DR in Rs 2000-3200	No	No
- Induction Training	Yes 1 to 2 yrs.	No	No	No
- PLB/Incentive Bonus to workers (50% limit)	PLB + IB	PLB+IB (75% of the Minimum of the pay scale) in Ofs	PLB	PLB

* Since discontinued but compensation in the form of higher pay fixation granted to present incumbents. This got neutralised in due course.

CLASSIFICATION OF WORKSHOP STAFF

*Views of the
previous Pay
Commissions
First CPC*

54.9 The categorisation of workshop staff into unskilled, semi-skilled, skilled and highly skilled workers and master craftsmen has gradually evolved over a period of time and is now well established although there are still problems due to alleged absence of uniformity in the classification of labour. A person who is involved in only physical labour without any intelligence, training or experience is traditionally classified as unskilled labour. But there has been a great deal of difference of opinion in defining a skilled labour. The First CPC's observations in this regard aptly sum up this position:-

"In defining the category of skilled labour, we found more divergence of

views. It was generally agreed that any person working on, or with the aid of, a machine should not be classified as unskilled labour. Over and above this, some were disposed to add that skilled labour involved not merely practical skill but also some theoretical knowledge. Others were disposed to lay more stress upon the preliminary training, either in the nature of apprenticeship or in the nature of training in a school. Fewer people were ready to recognise that even experience gained by the mere process of working at a job for a number of years would justify a person being classified as skilled. Some insisted that there should be some kind of certificate from a recognised technical institute. A few suggested that the skilled worker must have gone through a deliberate process of specialised training. Some even added a qualification of literacy. It seems to us that each of these suggestions has an element of truth but none of them can be regarded as exclusive or complete. We are inclined to think that the basis of differentiation must vary from industry to industry. In some theoretical training may be more essential; in the rest, apprenticeship or practical experience may be more essential. The classification must, in the last resort, be based upon trade tests. The semi-skilled was generally recognised to be a person who had risen from the ranks of unskilled labour, after he had improved by experience. Some workers' representatives suggested that particular occupations must be classed as semi-skilled and other occupations classified as skilled. We do not think that this will be a safe method of demarcation. In one and the same line of work, there may be different degrees of skilled. It is on this confusion that the workers complained that an occupation classified as skilled in one locality or workshop was classified as semi-skilled in another workshop or locality. The assignment of a particular worker to one category or another must largely be a matter of opinion based on standards recognised in industry. In a matter of this kind, no differentiation can be made between the industrial employees of Government and those employed in private industry. The differentiation between the skilled and the highly skilled is again a matter of degree, depending to a certain extent also upon experience and purposeful training. The extent to which a man can be trusted to work by himself or required direction or guidance is also a material ingredient. It seems to us that it will be convenient if each important industrial establishment will constitute a Board, say of three of its officers, to determine the class in which every worker in that establishment is to be based. The classification will of course be reviewed from time to time."

Second CPC

54.10 The Second CPC further dwelt on this issue and made the following significant observations:-

"Some employees' organisations have complained that there has been no systematic job evaluation, and that this has led to many groups of workers being classified lower than the contents of their jobs would justify. This has also been mentioned among causes making for lack of uniformity in classification as between one establishment and another. Much of the criticism of the present system of grading of jobs seems to arise from the belief that all job evaluation must follow what is called the 'points rating' system, or the analogous 'factor comparison' system. The 'points rating' system involves breaking each job into its component factors and allotting

points to each factor according to a pre-determined scale and then converting the total number of points into money, again according to a pre-determined scale. In the 'factor comparison' method also, each job is broken down into its component factors, usually the following: mental requirements, physical requirements, skill requirements, responsibility and working conditions. After job descriptions have been prepared, key jobs which represent various wage levels judged to be correct and fairly related to one another and in line with rates prevailing in the district for similar jobs, are selected and analysed factor by factor. The jobs are considered one by one and a decision made as to how much of the current wage rate for the job is being paid for each factor. A scale is prepared for each factor on which the key jobs are placed in order of their value assessed for that factor, the remaining jobs are then compared factor by factor with the key job factor scales and placed in position at their correct point on each scale, a comparative money value thus being established for each factor in each individual job. The total of the factor values so determined for each job represents its evaluated cash rate. Both these systems, it will be observed, are very elaborate, and yet, neither provides for what may be considered an absolutely objective evaluation of jobs: in both cases, the subjective element comes in. These are systematic and not scientific processes.

There are two other, simpler methods of job evaluation - one known as the 'ranking system' and the other as the 'classification system'. Under the former each job is judged as a whole and jobs are then ranked in groups in order of difficulty or value, and an attempt is made to equate or compare jobs at different levels among the group. When all jobs under review have been finally ranked, grade levels are defined and wage levels allocated. The classification system differs from the ranking system in that grade and wage levels are determined before jobs are ranked, and descriptions are written defining the type of job which should fall into each group. The 'points rating' system has been followed in determining the pay structure of one or two groups of Central Government employees.But ordinarily, the methods followed are what, in essence, are the ranking and the classification systems. Even in industrially developed countries, there is considerable difference of opinion about the advantages of the more elaborate systems of job evaluation. And while it may well be that a more careful and systematic analysis and assessment of jobs in most of the Central Government industrial establishments than has been made so far is called for, we do not feel competent to commend any particular system of evaluation in preference to others."

Third CPC

54.11 The **Third CPC** suggested that the Government might consider desirability of setting up expert bodies under various ministries to go into the question of reviewing the then existing categorisation of workshop staff and also a coordinating machinery for maintaining uniformity in re-categorisation of workers. With the exception of Railways, all major ministries agreed to set up expert re-classification committees. A one man committee was set up by Railways in 1969 for this purpose. However, this Committee did not carry out job evaluation/classification in the strict sense of the term. A joint committee of railway administration and workers' organisations, however, examined this report

54.12 In pursuance of the recommendations of the Third CPC the Ministry of Defence set up an Expert Classification Committee (ECC) in October, 1974 headed by a retired Judge of the Allahabad High Court. The ECC adopted 'points rating method' for evaluating more than 1700 industrial jobs after assigning specific weightage to various factors such as education, training, experience, job skill, physical, mental, visual, efforts involved, responsibility for machines, equipment, materials, etc. The ECC submitted its Report in January, 1979 recommending 9 pay scales from the unskilled category to the highly skilled grade-I. This was not acceptable to the Defence industrial workers who wanted to be fitted into the 5 pay scales recommended by the Third Pay Commission. The recommendations of the ECC were examined and a proposal was submitted to the Cabinet for the fitment of the industrial workers into the 5 pay scales and accordingly the correlation point range was modified in the following manner:-

ECC Correlation point on the basis of 9 pay scales		Correlation point range evolved on the basis of 5 pay scales introduced by the Govt	
Pay Scale (Rs.)	Point Score	Pay Scale (Rs.)	Point Score
196-232	Up to 205	196-232	Up to 205
210-290	206-240	210-290	206-250
225-308	241-260		
260-350	261-290	260-400	251-328 (Subject to marginal adjustments)
260-400	291-315		
320-400	316-340		
330-480	341-375	330-480	329-388
330-560	376-399	380-560	389 and above
380-560	400 & above		

54.13 The Anomalies Committee set up for looking into the anomalies of ECC classification was converted into another expert body. This Committee re-evaluated certain trades which had lost the skilled grade by marginal loss of points in the ECC evaluation. The Anomalies Committee not only recommended upgradation of certain semi-skilled trades to the skilled grade based on the re-evaluation, but also recommended the provision of the grades of skilled, highly skilled grade-II and highly skilled grade-I in the ratio of 65:20:15 for certain common category trades. The recommendation on a benchmark inter-grade ratio was implemented in 1984.

54.14 The Third CPC report also noted that the Government agreed to set up an inter-departmental coordination machinery for ensuring a reasonable measure of uniformity of standards in the process of re-categorisation of workshop staff. The Ministry of Finance has informed us that a Coordination Committee was set up under the Chairmanship of Joint Secretary(Personnel) and the representatives of major Departments employing industrial workers as members of the Committee

As and when the recommendations of the Expert Committee of a department were finalised, these were considered by the Coordination Committee and recommendations as agreed to by this Committee were implemented. The Ministry has also advised us that the categorisation of all the Industrial workers of industrial establishments under various Ministries and Departments is a time consuming job and it takes years to finalise such studies and further that in case of Ministry of Defence this job could be finalised only in October, 1984 and some recommendations are still under consideration.

*Unskilled' - a
misnomer*

54.15 Many associations have pleaded against the retention of the 'unskilled' category on the ground that there is no trade which does not call for application of skills.

*Discrimination
against the
industrial
workers*

54.16 There is also a general feeling among industrial workers that being blue collar workers they are generally discriminated against by the Pay Commissions, while the white collar categories get a more favourable treatment. As an example, it is said that a skilled worker starts at Rs.950-1500 just as an LDC does. While the Lower Division Clerk is promoted to the scale of Rs.1200-2040 as Upper Division Clerk, the skilled worker has to move through an extra scale of Rs.1200-1800 before he reaches the pay scale of Rs.1320-2040.

*Demand for
merger of highly
skilled Grades*

54.17 The Federations of Railwaymen have represented to us that the Skilled artisans pass the requisite trade test and acquire higher knowledge and expertise through practical experience before getting the Highly Skilled/Skilled Grade II and Highly Skilled/Skilled Grade I. The Federations have argued that there is no justification for retaining the two grades in Highly Skilled category and the same should be merged into a single grade. We find merit in this demand.

*Abolition of word
"Unskilled"*

54.18 'We have considered these arguments and find that there is some truth in them. Accordingly, we propose to abolish the nomenclature of 'unskilled' from the dictionary of Government to emphasize the point that we do not consider any job, howsoever lowly, to be devoid of skills. Instead we suggest 'Shramik' to underline the fact that physical labour or 'Shrama' is the basic constituent of the skills used at that level. We also recommend that the two grades in highly skilled category be merged. This would ensure that artisans also progress directly from the grade of Rs.950-1500 to that of Rs.1320-2040.

As far as the remaining skill classification is concerned, we recommend that it be retained as under:-

Existing		Recommended	
Classification	Pay Scale (Rs.)	Classification	Pay Scale (Rs.)
Unskilled	750-940	Shramik	750-940 (*)
Semi-skilled	800-1150	Skilled-II	800-1150
Skilled-III	950-1500	Skilled-I	950-1500
Highly Skilled/ Skilled-II	1200-1800]]	Highly Skilled	1320-2040
Highly Skilled/ Skilled I	1320-2040]]		
Master Craftsman	1400-2300	Master Craftsman	1400-2300

(*) (Minimum educational qualification of 8th pass be uniformly prescribed)

54.19 We have further received demands particularly from Defence Establishments for abolition of Semi-skilled grade. In our opinion the semi-skilled stage is important for a raw hand to learn skills and there is no justification for its abolition. We do not favour this demand.

Demand for abolition of Semi-skilled grade Khalasis and Khalasi helpers in railway

54.20 The Federations of Railwaymen have highlighted the change in the job-content of Khalasis and Khalasi Helpers in Railways. They have brought to our notice that the Khalasis (Rs. 750-940) used to be exclusively employed on the work of transportation, movement of material and assisting skilled artisans in their work. This concept, has become outdated with the modernisation of the rolling stock and upgradation of their recruitment qualifications from the knowledge of reading and writing only to Matriculation/ITI/Act Apprenticeship of the appropriate trade. The job responsibilities of a Khalasi-Helper (Rs 800-1150) have been enhanced by the administrative instructions issued by the Railway Board in 1982. These instructions stipulate as under :-

“Even though the designation ‘Khalasi-Helper’ is assigned to semi-skilled trades as a consequence to these classifications, the Ministry of Railways desire to observe that Khalasi-Helper should be called upon to work independently and carry out all the jobs in emergencies etc., which normally a skilled worker would do. A Khalasi-Helper associated with the skilled workers will have to make contribution to production and out-turn alongwith the skilled workers as the two will form the team.”

The Federations have demanded suitable higher scales of pay for such khalasis and Khalasi Helpers.

54.21 The Ministry of Railways has explained to us that the minimum recruitment qualification of Khalasis in Diesel and Electric Locomotive Sheds is ITI pass/Act Apprenticeship whereas the qualification of their counterparts in other departments is simple literacy. The Ministry has proposed that the Fifth CPC may consider prescribing a uniform minimum qualification of ITI/Act Apprenticeship pass for all Khalasis in view of technological upgradation of the systems in Railways.

Change in the designation ‘Khalasi’

54.22 We find that the designation of ‘Khalasi’ is outdated and a legacy of colonial post. This should now be changed as ‘Shramik’ if recruited without any technical qualification. The Ministry of Railways has further clarified that in Diesel/Electric Loco/EMU Sheds Khalasis are recruited with one of the following qualifications.

- 1) Matriculation
- 2) Apprenticeship Pass under Apprentices Act in relevant trade.
- 3) Diploma in Elect./Mech./Electronics Engg.

Scales of Khalasis

54.23 For Matriculates, ITI pass is a desirable qualification. It may be seen that the pay scale of Rs. 750-940 is very low for these qualifications and does not conform to the existing and proposed pay scales for different categories of employees with these qualifications. We recommend that all such Khalasis

should be recruited in the skilled grade of Rs.950-1500 and designated as such, as already done in case of direct recruit skilled workers in Railways.

We have recommended basic minimum educational qualification of 8th pass for all Shramiks in Government. The recruitment qualifications for Khalasis in general must be considered/reviewed by the Railway administration in the light of functional needs and worth-of-charge.

54.24 The pay scales of ordinary Khalasis (other than those referred above) and Khalasi Helpers be revised according to the general recommendations made by us. However, the designation of Khalasi Helpers be changed to Shramik-Helper or Artisan Skilled Grade-II in the light of our revised scheme outlined above.

*Recruitment
Rules in Defence
Establishments*

54.25 The Defence Industrial Workers have brought to our notice that different directorates under the Ministry of Defence have framed their own recruitment rules for industrial employees. They have demanded a common set of Recruitment Rules for all industrial trades and grades within the Ministry of Defence and further a three grade structure in the ratio of 35:35:30 in the existing grades of Rs.750-940, Rs 800-1150 and Rs.950-1500 for unskilled labourers/Mazdoors in Defence Establishments. The Ministry of Defence, in response, has clarified that different organisations under the Ministry have different job requirements and qualifications are dependent on the job contents. The Ministry considers this an administrative matter which need not be considered by the Pay Commission. The Ministry has further clarified that the unskilled industrial employees are eligible for 'in-situ' promotions to the semi-skilled grade of Rs.800-1150 in terms of general guidelines of the Government in this regard and that they need to achieve maturity for being classified and placed in the skilled grade. We are in agreement with these observations of the Ministry. However, in view of very large unskilled work-force in Defence industrial establishments, we have recommended upgradation of minimum educational qualification to 8th standard pass for unskilled labourer (now proposed to be redesignated as 'Shramik') in Defence establishments where minimum educational qualification prescribed at present is only 5th standard pass.

Inter-Grade Ratio

54.26 In Railway Workshops and Production Units a uniform intergrade ratio for workshop artisans has been prescribed as mentioned below :-

	<u>% age Share</u>
Skilled Grade - III	30
Skilled Grade - II	30
Skilled Grade - I	35
Master Craftsman	05

54.27 The Federation of Defence Employees has demanded that the Defence industrial workers be given parity with Railways in respect of inter-grade ratio. We have already noted above that in Defence industrial establishments, the Anomalies Committee prescribed a benchmark intergrade ratio of 65:20:15 for certain common category skilled trades.

54.28 The Anomalies Committee further noted the following distribution of skilled workers:-

Department	HS grade I % age	HS grade II % age	Skilled % age
DGOF	7.20	18.80	74.00
MES	7.41	0.67	91.91
EME	25.84	13.88	60.28
Navy	21.75	30.15	48.10
Air Force	49.40	19.70	31.00

Following further comparison with Railways would be relevant -

	Railways	Defence
Rec'tt. Qualification of Unskilled Workman (Rs.750-940)	50% Apprentices 50% including 8th Pass Khalasis* * Minimum 10th Pass in Signal and Telecom Deptt. and 10th/ITI in Diesel Electric Loco Sheds	OFB: 5th Pass EME, 8th Pass MES MES: 5th Pass Naval Estt., 8th Pass DRDO: 8th Pass
Rec'tt. Qualification of skilled workman (Rs.950-1500)	25% DR, 10th ITI 25% from SS/US (educational qualification as in Apprenticeship Act) 50% by promotion	Promotion/Transfer/Re-employment of ex-servicemen/failing which Dr (2 yr. course in ITI/NCT for DRs)
Unskilled Workforce	12.93% of the total	23.73% of the total
Age of Retirement	58 years	60 years
Overtime to Tech. Supervisors	No	Yes
Induction Training	DR: Skilled Workers (stipend Rs.900-20-940) Act Apprentice - 6 months ITI - 6 months Matriculates - 3 years	Only Apprentices inducted from lower ranks given induction training
Incentive Bonus to Workers	Yes (50% limit)	Yes (75% limit)
Overtime to Incentive Workers	Generally not put on overtime	Given overtime work
Grade Structure percentage	Mandatory and uniform for all trades	Desired benchmark only for skilled trades.

Inter-grade ratio
for Defence
Workers

54.29 In view of the many differences between the workers of railways and defence establishments, we are not in favour of a parity between their respective inter-grade ratios. At the same time, very significant differences between the inter-grade ratios are also likely to engender a feeling of resentment among the defence employees. With a uniform age of retirement at 60 years and a minimum entry level of 8th pass at Shramik, some of the differences are being evened out.

Considering the modernisation in Ordnance Factories and need for improving the career prospects of Defence industrial workers vis-a-vis industrial workers in Railways the following inter- grade ratio is recommended for Defence Workers :-

Skilled	45	Higher Skilled Gr.II	25
Higher Skilled Gr.I	25	Mastercraftsman	05

54.30 We have, however, recommended merger of Highly Skilled grades into one grade only. The inter-grade ratio will thus be need to be worked out again based on our recommendations on pay scales. We understand, that in Railways, the inter-grade ratios are reviewed periodically, particularly after the Pay Commission's recommendations. We suggest that the Ministry of Defence likewise may review this ratio within the basic structure of 45:25:25:05 recommended by us and keeping in view the linkages of this ratio, if any, with the incentive bonus scheme in Defence Establishments.

*CNC Machine
Operators in
Defence
Establishments*

54.31 The Federation of Defence workers has demanded that the CNC machine operators in the skilled grade be placed in the scale of Rs.1320-2040 after completion of 5 years of service and their further promotion be made in the cadre of Supervisors-cum-CNC operator, as provided in the recruitment rules of the supervisory cadres in the Ordnance Factories.

54.32 The computer numeric controlled (CNC) machines and higher levels of automation are being introduced in almost all industrial establishments of the government. CNC machines add to the precision, quality of output and higher productivity. While these machines give a touch of sophistication to the skilled artisan, they also result in less fatigue and stress for the workers. As such, we are of the opinion that there is no case to give a preferential treatment to CNC machine operators in Defence or other establishments. They should follow their normal career progression as laid down in the recruitment rules.

Master Craftsman

54.33 The concept of Master-Craftsman in the pay scale of Rs.1400-2300 was introduced with the basic objective of retaining skilled workers in the trade. The Railway and Defence Employees Federations have emphasised the continued need to retain the skills of experienced industrial employees particularly in view of the technical advancement and procurement of sophisticated machines in Government workshops and factories. The Federations have argued for a higher replacement pay scale and further pay scales for promotion of Master Craftsmen. The Ordnance Factory Board anticipating re-orientation in the technologies in use and induction of new technologies which use computer based programmable manufacturing operations, has predicted increasing demand for knowledge based operating skills in the ranks of industrial workers. The Board has suggested creation of two additional grades for Master Craftsmen as follows :-

Existing	Proposed by Ordnance Factory Board
Master Craftsman Rs.1400-2300	Master Craftsman Grade - I Rs.2000-3200 Master Craftsman Grade - II Rs.1600-2660 Master Craftsman Grade - III Rs.1400-2300

*Our
recommendations*

54.34 We accept the contention that the 'Knowledge-Worker' is the need of the hour. However, the grant of higher pay scale (s) as proposed would disturb the existing relativities with the pay scales proposed by us for Technical supervisors in Workshops. Status quo may, therefore, be maintained.

54.35 Mistries in Railway Workshops and Production Units are in the same scale of pay (Rs.1400-2300) as Chargeman 'B' which is a promotion post for them. The Federations of Railwaymen have contended that the Mistries who are promoted from ranks after long years of service and experience work like Chargemen 'B' as supervisors and technical advisors to the technicians. The Federations have, therefore, demanded that Mistry be redesignated as Chargeman 'B'. The Ministry of Railways has explained that the Mistries were in the scale of pay of Rs.330-560 which was lower than that of Chargeman 'B' (Rs.425-700) before the 4th CPC report. We have recommended a slightly higher pay scale of Rs.1600-2660 for the Chargeman 'B'. Accordingly, the Mistry being lower than Chargeman 'B', cannot be redesignated as Chargeman 'B'. We recommend that the payscale of the Mistries be retained at the present level of Rs.1400-2300. The Ministry of Railways in consultation with the recognised Federations of Railwaymen, has recently changed the designation of the 'Mistry' as 'Supervisor' without any change in duties, responsibilities and pay scale. We suggest that the Ministry may consider the revision of designation of 'Mistry' to 'Master Technician' without any change in status.

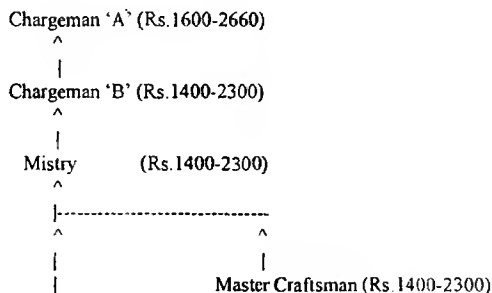
TECHNICAL SUPERVISORS

Supervisors and
Supervised :
Problem of same
scale of pay

54.36 The Technical Supervisors in Defence and Railway industrial establishments are in the four standard pay scales of Rs.1400-2300, Rs.1600-2660, Rs.2000-3200 and Rs.2375-3500. The initial pay scale of the Technical Supervisors is the same as that of for Master Craftsmen and Mistries (in Railways). This anomalous situation has arisen due to merger of the pay scales of Rs.425-700 (Chargeman), Rs.380-500 (Mistry, Highly Skilled Grade-I) and Rs.425-640 (Master Craftsman) by the 4th CPC and replacement of these scales with a common scale of pay of Rs.1400-2300. We have been informed that the identical pay scales of Mastercraftsman, Mistry and Chargeman have resulted in a large number of court cases. The New Delhi Bench of the Central Administration Tribunal in a case, O.A. No.1527/1990 has directed the Ministry of Railways to refer such cases to the 5th CPC.

54.37 The Ministry of Railways has submitted following facts for our consideration:

- (i) The avenue of promotion leading to the post of Chargeman 'A' is as under :



High Skilled Grade-I
Artisan (Rs.1320-2040)

- (ii) The posts of Master Craftsmen are filled from artisans in Highly Skilled Grade-I by converting an equal number of posts of artisans to the Grade of Master Craftsmen. The post reverts to High Skilled Grade-I after the Master craftsman vacates the post. The promotion of artisans to the grade of Master Craftsman is thus personal in nature. The fitness as Master Craftsman does not give any advantage to the Highly Skilled Artisan in seniority for promotion as Mistry.
- (iii) The Master Craftsmen have to seek promotion as Mistries who in turn get promotion to the posts of Chargemen 'B'.
- (iv) The posts of Chargeman 'B' are in technical supervisory cadre and those of Mistry are specifically excluded from this cadre

Our
recommendations

54.38 We find that the direct recruitment qualification for the initial pay scale of technical supervisors in Workshops is Diploma in Engineering of relevant discipline or Graduation in Science. We have, as a general principle decided to improve the remuneration of Diploma Engineers in Government. In accordance with this general approach, we recommend following grade-structure for technical supervisors in Workshops :-

	Existing (Rs.)	Recommended (Rs.)	Revised Designations in Railways(%) decided by the Ministry in July '96.	Remarks
Chargeman 'B' / Chargeman	1400-2300	1600-2660	Junior Engineer Grade-II (Workshop)	Higher scale due to engg. diploma entry at this level
Chargeman 'A' / Senior Chargeman	1600-2660	1640-2900	Junior Engineer Grade-I (Workshop)	Due to feeder grade being upgraded
Assistant Shop Superintendent/Deputy Shop Superintendent/Assistant Foreman (*)	2000-3200	2000-3500	Section Engineer (Workshop)	Higher scale due to rationalisation as also the degree in engg. entry at this level
Shop Superintendent/Foreman	2375-3500	2375-3750	Senior Section Engineer (Workshop)	Due to rationalisation

- (*) Part Direct Recruitment of Engineering Graduates in Railways.
- (#) Other Departments may revise designations, if necessary, in consultation with representatives of organised labour

Overtime to
Technical
Supervisors

54.39 The Technical Supervisors in Railways have demanded Overtime Allowance for Supervisory staff and Superintending Allowance for Assistant Shop Superintendent and Shop Superintendent in Railway Workshops.

54.40 In Railways, the staff are classified as 'Intensive' 'Continuous' 'Essentially Intermittent' and 'Excluded' on the basis of weekly hours of work as stipulated under Hours of Employment Regulations in the Railways Act, 1989. There is no statutory limit of work for 'Excluded' categories which include the supervisory staff. The supervisory staff who have no statutory or rostered hours of work are not eligible for overtime allowance. The Ministry of Railways has explained to us that the exclusion of supervisory staff from the limitation of hours of work is in conformity with the International Labour Organisation Convention (ratified by India) which provides that for the workers in supervisory posts or positions of trust and workers whose activity is of such a nature that they are not subject to the limitations of normal working day, the limitation of hours of work

is not applicable.

54.41 The demand for Overtime allowance to 'excluded' and 'supervisory' staff in Railways has been otherwise raised at the forum of Departmental Council/Joint Consultative Machinery. We, as a principle, do not favour payment of overtime to Supervisory staff and fully endorse the views of the Ministry in this regard. We also do not endorse the demand for Superintending Allowance to Shop Superintendents in Railway Workshops. We understand that overtime is paid to Supervisors in Defence industrial establishments, although the Third and Fourth CPCs had recommended abolition of overtime to technical supervisors in defence establishments. We would like to reiterate this recommendation and suggest that the payment of overtime to these technical supervisors be stopped forthwith.

*Stage Inspectors
in Production
Control
Organisation
(PCO) in Railway
Workshops*

54.42 The Federations of Railwaymen have represented to us that the Stage Inspectors (pay scale Rs.1320-2040) in Production Control Organisation in Railway Workshops and Production Units inspect the finished work of artisans, including those in skilled Grade-I. The Federations have demanded that in order to make this inspection effective, the Stage Inspectors should be granted a higher pay scale of Rs.1400-2300. The Ministry of Railways, however, maintains that the pay scale of Master Craftsman is granted to Highly Skilled Artisans on personal basis without any change in basic functions and duties of the artisans. In our opinion, the introduction of the pay scale of Master Craftsman should not affect the status of the Stage Inspectors. The present parity of pay scale between Highly Skilled Artisans and Stage Inspectors is, therefore, in order and need not be disturbed.

PCO Allowances

54.43 The Federations have further informed us that the staff of Production Control Organisation were entitled to PCO allowance @ 15% of pay which was intended to compensate them for the loss of incentive bonus which the staff would have earned on the shop floor if they had not opted to join the PCO. The Federations allege that not only this allowance has been withdrawn specially from those joining PCO on promotion but the benefits of this allowance being counted as pay for all purposes, has also been withdrawn by the Railway Administration. The Federations have demanded restoration of this allowance with attributes of pay for all purposes including retirement benefits.

54.44 We have ascertained the position on PCO allowance in Railway Workshops. It is not factually correct to say that the Railway Board had withdrawn PCO allowance in respect of those promoted to posts in PCO. In fact, the Board had banned promotions to PCO posts in 1984. Such of the staff who had gone on promotion to PCO were given an opportunity to exercise an option either for the pay in their substantive cadre on the shop floor plus special pay as admissible on posting to PCO or to continue to draw pay in higher grade in PCO without special pay. The special pay (renamed as PCO allowance after Fourth CPC's recommendations on 'special pay' in general) continues for those posted to PCO. The PCO allowance is no longer 'special pay' and, therefore, we are unable to accept the demand of the Federations in this regard.

*Supervisors in
Defence
Establishments*

54.45 The technical supervisors in Defence industrial establishments have demanded that they should be treated on a special footing on account of superior technology in Defence establishments and given an edge over their counterparts in

other departments in respect of payscales. Similarly, the Scientific Supervisors (electronics discipline) in Directorate General of Quality Assurance have represented that in view of their multifarious activities in the electronic and scientific field, they should be delinked from the general supervisory staff of Ordnance Factories and other Defence establishments. They have demanded higher pay scales over and above those in electronic discipline in Public Sector Undertakings. We, however, find that the progress in respect of technology is a common denominator in all government industrial establishments. We cannot make a distinction between technical supervisors in different Government departments. Neither have we conceded the demand for parity of Government employees with the staff of PSUs in general. We recommend that the four grade structure recommended by us for Technical Supervisors be adopted in all Government departments *mutatis mutandis*. The peculiar problems of Defence industrial establishments are discussed by us in the Chapter on the Ministry of Defence. However, we have considered the demand of technical supervisors for granting an inter-grade ratio of posts in the supervisory cadre on similar lines as in Railways.

We understand that the inter-grade ratio in Railways is determined on the basis of functional considerations, review of cadres and negotiations with the organised labour. The inter-grade ratio for technical supervisors in Railways is as under :-

<u>Pay Scale</u> <u>(Rs.)</u>	<u>%age</u>
1400-2300	30
1600-2660	25
2000-3200	28
2375-3500	17
(Group 'C')	

There are various organisations in Defence Industrial Sectors with different and varied functional needs in respect of Technical Supervisors. We, however, recommend following inter-grade ratio for adoption in Defence Establishments with suitable changes wherever considered necessary :-

Chargeman 'B'	35%
Chargeman 'A'	25%
Asstt. Foreman	25%
Foreman	15%

Incentive Bonus Schemes

54.46 The objective of different incentive schemes in Railway workshops/production units and Defence Ordnance factories is to improve the productivity of an average efficient worker. There are differences in the schemes in respect of assumptions on the improvement in productivity under incentive conditions, ceiling limits on incentive profit and methods of calculating incentive wages etc. A comparative position is indicated below :-

RAILWAYS	ORDNANCE FACTORIES	GOVERNMENT OF INDIA PRESSES
Basic Wages guaranteed to all workers	Basic wages guaranteed to all workers	The incentive bonus scheme has been discontinued in
Time is the yardstick for measuring work and a standard time is fixed for a given job on the basis of time and motion study for an average worker	The basic time required for performing each operation is measured by industrial engineering time study.	Government of India Presses and replaced by productivity Linked Bonus Scheme.
The scheme based on the concept that an average operative when working under non-incentive conditions is assumed to be working at a rating of 60 units. He is expected to improve his rating to 80 units i.e. 33 1/3% when working under incentive conditions.	The scheme is based on the principle that an efficient worker putting in normal effort should be able to get an additional 25 percent of this wages as incentive profit.	
It is expected that an average operative would complete an operation in 3/4th of the allowed time. The time saved/lost on the time allowed in each worker and the loss/gain is balanced for each wage period.	The incentive scheme is applicable to either individual piece work or gang piece work. In the latter system the total incentive payment is arrived at is divided proportionately among the various categories of workers in proportion to their actual pay.	
The ceiling limit on profit is fixed at 50% of the time taken in each of the operations.	There is ceiling of 75% of the minimum of the pay scale on Incentive Profit in Ordnance Factories.	
The hourly rates of pay for the purpose of calculating rates for incentive bonus are based on the weighted mean of the pay scales allotted to the categories eligible for the incentive bonus. Only basic pay is taken into account excluding dearness allowance, house rent	The hourly rate of pay of the assigned grade of workers is calculated by dividing the basic pay at the minimum of the pay scale by 195 (representing the number of standard hours for a month)	
	The scheme does not covers supervisors. Indirect workers engaged in activities like maintenance of plant and machinery, materials handling and transportation etc. are paid on the basis of their attendance (called Day Work basis).	

allowance, etc. (standard hours in a month are taken as 208)

The scheme covers supervisors upto Sr. Chageman and excludes Dy. Shop Suptd. and Shop Supdt. staff in production control organisation, inspection, millwright, tool room and yard organisations. The chagemen and essential indirect workers are eligible for incentive bonus at 80% of the average percentage of the bonus earned by the direct workers supervised and/or assisted by them. Mistries, however, get 100% of the average percentage of profits earned by the direct workers under their control.

The staff who are put on incentive working are not normally required to work on overtime.

For essential maintenance workers attached to a production section, an incentive bonus at the rate of 50% of the piece work profit earned during a month by all the piece workers, both individual and gang workers of the section is paid. For essential maintenance workers not attached to any production section, the rate of incentive bonus is calculated at 50% of the average piece work profit earned during a month by all the piece workers taking the factory as a whole.

Incentive workers are put on overtime and paid OTA

Over time payments in OFs
(Rs. in Lakhs)

1992-93	3723.96
1993-94	4096.49
1994-95	5306.61

Scope and coverage of Incentive Schemes in Defence Establishments and Railways: Demands

54.47 We have received a large number of memoranda from Defence and Railway employees and their Associations for extension of scope and coverage of Incentive Bonus Schemes. The demands and arguments in support thereof received from the Railway employees can be summed up as follows :-

- 1) Additional duties and responsibilities have been assigned to Senior technical supervisors (i.e., Shop Supdts./Dy. Shop Supdts./Foremen/Asstt. Foremen) due to introduction of incentive schemes in the workshops and production units. They do not get incentive bonus.
- 2) Running Staff when promoted or posted to Stationary duties are allowed 30% of pay in lieu of running allowance. Therefore, 20% of the basic pay may be granted to Senior technical supervisors as special pay in lieu of incentive bonus.

- 3) The procedure for the calculation of incentive bonus and its eligibility criteria are unfair. The basic concept is that a worker under the incentive scheme will deliver 33.33% more goods in a given time than what he would have done under normal conditions in the same time. But due to gradual wear and tear of machines, it is not possible to attain the same rate of output all the time. Hence, the calculation of time for working out incentive bonus is defective.
- 4) The calculation of incentive bonus is done on the weighted mean of the pay scale with respect to basic pay only without taking into account DA or other allowances. Moreover, a large number of workshop staff have been left out of the purview of the scheme and a good number of workers have been deprived of the full benefit due to their classification as essentially indirect workers.
- 5) The incentive bonus be calculated on the basis of actual salary (Basic+DA) and not on weighted mean of the pay scale and calculation of output be done after giving due allowance for wear and tear.
- 6) All workers connected directly or indirectly with the production be given full incentive bonus without any distinction between direct or essentially indirect workers.
- 7) In addition to staff already covered, all other staff - technical and non-technical connected with workshop be brought under the purview of the incentive scheme.
- 8) The incentive bonus be reckoned as part of the pay for all purposes, similar to running allowance.

54.48 We have carefully examined these demands and arguments and feel convinced that there is no justification for extending incentive bonus scheme to senior supervisors. Their case is also not comparable to running staff for whom running allowance includes an element of pay. These supervisors are eligible for productivity linked bonus which is paid every year to railway staff.

54.49 The present incentive scheme which has not kept pace with the changes in work-environment, technology, introduction of high productivity machines and design changes in rolling stock, has been reviewed by M/s Rail India Technical and Economic Services Ltd (RITES) for the Railways. One of the alternative schemes suggested by RITES has been approved by the Ministry of Railways for implementation on a pilot basis.

54.50 There is no justification to extend the scope of existing incentive scheme either in respect of calculation on the basis of Pay + DA or coverage of excluded staff as demanded. We do not find any justification in comparing the incentive bonus with running allowance of running staff.

54.51 The Defence Employees have also represented that the Piece work

Rate Scheme prevailing in the Defence units covers workers and part of the maintenance workers only, leaving out a large section of staff. They feel that in the changed scenario with massive diversification and civil trade activities, there is a need to evolve a new scheme of incentives, embracing all the employees of the Defence Units. One such scheme for Ordnance Factories is under active consideration of JCM at the level of Ordnance Factory Board. The employees have suggested that the Fifth CPC should recommend introduction of this scheme and its extension to Director General Quality Assurance (DGQA), Directorate of Technical Development and Production (Air) [DTD & P (Air)] and Defence Research and Development Organisation (DRDO).

54.52 It has further been argued that the Examiners in Ordnance Factories are industrial workers but they are not eligible for incentive bonus being paid to other industrial employees. Accordingly, it has been demanded that the Examiners should be made eligible for incentive bonus.

54.53 We do not find any justification for extending the scope of the present scheme as proposed. The scheme adequately covers the indirect workers and essential maintenance workers as explained earlier in this Chapter. However, certain other aspects of the scheme have been discussed in the Chapter on Ordnance Factories.

*Government of
India Presses*

54.54 The workers in Government of India Presses have suggested that their recruitment be restricted to only unskilled categories and semi-skilled categories should not be directly recruited. They have also proposed that the qualifying residency period for promotion to higher posts be reduced.

54.55 We have examined the recruitment qualifications and career progression of workmen in Government of India Presses. We find that the candidates with experience in relevant trade are invariably inducted at semi-skilled level. Further, the experienced workers have to qualify for entering the Offset Press which is technologically superior than the obsolete Letter Press. We are of the opinion that the direct recruitment of a certain percentage of posts at semi-skilled level is need based and must continue. We also notice that the recruitment rules have been framed with reference to functional needs at different levels and in keeping with the on-going modernisation of Government Presses. We are, therefore, unable to accept the demands of the workers of Government of India Presses.

Mechanics

54.56 The Mechanics (Rs.1320-2040) in the Government of India Presses (Printing Department) have demanded higher pay scale of Rs.1400-2300 on account of upgradation of technology from Letter press to Offset technology. They have informed us that different categories of employees were given suitable higher pay scales after induction training for Offset technology Press but their pay scale remained unchanged. The Directorate of Printing has explained that the Mechanics have not been able to justify their demand for re-classification of the post as a 'Master of Craftsman' and grant of pay scale at par with the Master Craftsman. We have further been informed that the Inter Departmental Committee on 'Printing Staff' set up in pursuance to the recommendations of the Fourth CPC also considered the pay scale of the Mechanics to be adequate. We consider that any re-classification of skill-status can be done after a proper job evaluation. We,

therefore, do not suggest any change in the payscale of Mechanics in present terms.

*Indian
Meteorological
Department*

54.57 The workshop employees of the Indian Meteorological Department have expressed resentment against acute stagnation in their ranks and have suggested that Mechanic Grade-III and Carpenter Grade-III be classified as skilled, and Mechanic Grade II and I and Carpenter Grade II and I be amalgamated and classified as Highly Skilled. We find that the workshop categories have following pay structure in Indian Meteorological Department.

	Pay Scale (Rs.)
Mazdoor	750-940
Mate	800-1150
Mechanic/Carpenter Grade-III	950-1500
Mechanic/Carpenter Grade-II	1200-1800
Mechanic/Carpenter Grade-I	1320-2040
Mechanical Assistant	1400-2300
Professional Assistant	1640-2900

54.58 We have, in general, recommended amalgamation of highly skilled levels into one grade of Rs.1320-2040. This recommendation will cover employees in India Meteorological Department as well. We do not see any difficulty in classifying the workshop categories as skilled and highly skilled as demanded by the employees since the existing grade structure matches the skill-classification recommended by us. Further, our recommendations on 'Assured Career Progression' would provide relief to workers in Indian Meteorological Department against stagnation.

*Small Industries
Development
Organisation
(SIDO)*

54.59 The Small Industries Development Organisation (SIDO) Employees Association has submitted the following for our consideration :-

- a) The Lower Technical Staff working in workshops under SIDO are designated as Skilled workers, DarkRoom Technician and Instrument Mechanics. Apart from imparting technical training to existing and prospective entrepreneurs and artisans in different disciplines such as machine shop, practice, milling, turning, carpentry, etc., functions of these lower technical staff also include industrial promotion and execution of job orders placed by small scale industries on the workshops.
- b) There is stagnation due to very limited posts of skilled workers Gr.I. Time-bound promotion/pay scales may be granted.
- c) Originally skilled workers were appointed as 'Instructors' in the SIDO and their designation was quite suitable to the nature of job they performed. Consequent on the 4th CPC's recommendations, their designation has been changed as 'Skilled Workers'. Since they go on tour in Mobile Vans, they are expected to perform the duties of Instructors/Demonstrators. The Commission may consider change of designation of skilled workers as 'Instructors' in the SIDO.

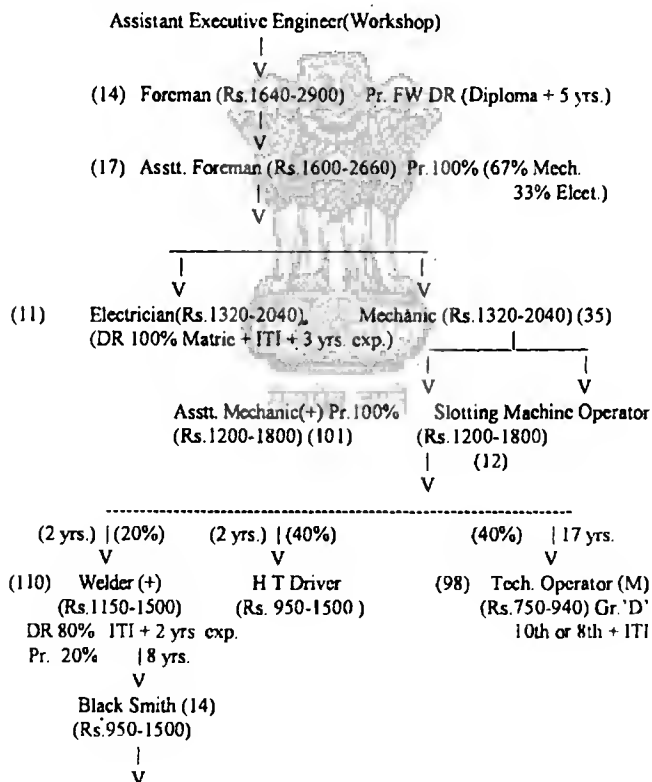
54.60 The Department of Small Scale and Agro-Rural Industries, Ministry of Industries has endorsed the suggestions above for our consideration .

54.61 The lower technical staff of SIDO are essentially workshop staff. Any change in designation as proposed would entail change in service conditions from industrial to those of non-industrial category.

54.62 We are of the opinion that the reclassification of trades to provide Skilled Gr. I posts as demanded can only be done by an expert job-evaluation or on the basis of functional requirements. The Department of SSI & ARI must review the cadres of lower technical staff for suitable relief in respect of promotion avenues.

Central Ground
Water Board

54.63 The Workshop Staff of Central Ground Water Board (CGWB) have complained that their cadres have not been restructured in accordance with the classification scheme recommended by the 4th CPC. We have examined the organisation set up of workshop in the CGWB with a view to stream line the structure in accordance with our general recommendations in this chapter. The existing organisation is as under :-



Hammerman (Gr. 'D') (14)
(Rs.800-1150)

{ (+) including staff attached with drilling units }

54.64 In view of recruitment qualifications and promotion channels the following recommendations would streamline the cadre in to a standard workshop structure as recommended by the Fourth Central Pay Commission.

Welder 54.65 The pay scale of Welder be upgraded to Rs.1320-2040. Welders may no longer be feeders to Asstt. Mechanics but be made eligible for promotion to the post of Mechanic. The movement of Assistant Mechanics and Slotting Machine Operators to the post of Mechanics be treated as lateral movement and not promotion. Ten percent posts of Electricians and Mechanics be upgraded to the pay scale of Rs.1400-2300 and be designated as Master Electricians and Master Mechanics.

Technical Operator 54.66 The pay scale of Technical Operator (Mechanical) be upgraded to Rs.800-1150. The residency period of T.O.(M) for promotion as Asstt. Mechanic be suitably reduced in view of proposed upgradation.

Foreman 54.67 The position in respect of Assistant Foreman and Foreman is as under:
Asstt. Foreman

	Pay Scale Rs.	Recruitment Qualifications
Assistant Foreman	1600-2660	Promotion 100% 33% Electrician + 5 yrs experience 67% Mechanic + 5 yrs experience
Foreman	1640-2900	Promotion failing which DR. DR Qualification: Diploma + 5 yrs exp.

The pay scales attached to these supervisory posts are appropriate and may be retained.

T.O. (Drilling) 54.68 We also recommend that the Technical Operator (Drilling) and Technical Operator (Stores) be given the pay scale of Rs.800-1150 at par with Technical Operator (Mechanical).

Other Departments 54.69 We suggest that workshop categories in small organisations which have not been specifically covered by us in this Chapter may follow the general pattern of skill-classification and pay structure recommended by us. The administrative ministries, however, may suitably decide the extent and scope of implementation of these recommendations depending upon the size of the cadre and functional need of skill levels in the organisation.